20240917700224

Årsredovisning för

Bagaren och Kocken AB

556747-4001

Räkenskapsåret
2023-01-01 - 2023-12-31

Innehållsförteckning: **Sida**

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Fastställelseintyg

Undertecknad verkställande direktör i Bagaren och Kocken AB intygar härmed dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkningen fastställts på årsstämma 2024- 05 - 31
Stämman beslutade också att godkänna styrelsens förslag till resultatdisposition.

Göteborg 2024- 06 - 25

Charlotta Svarfvar
VD

Årsredovisning för

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Förvaltningsberättelse

Styrelsen och verkställande direktören för Bagaren och Kocken AB, 556747-4001, med säte i Göteborg, får härmed avge årsredovisning för räkenskapsåret 2023-01-01 - 2023-12-31.

Allmänt om verksamheten
Bolaget bedriver handel med husgeråd och köksmaskiner i egen butik samt via webshop till de skandinaviska länderna.

Bolagets redovisningsvaluta är SEK.

Utveckling av företagets verksamhet, resultat och ställning

Belopp i Tkr

	2023-12-31	*2022-12-31*	*2021-12-31*	*2020-12-31*	*2019-12-31*
Nettoomsättning	814 745	808 059	1 004 624	931 919	496 357
Rörelsemarginal %	1,2	-7,6	0,3	5,8	-4,6
Balansomslutning	331 129	301 826	384 763	392 349	271 099
Soliditet %	46,2	48,5	42,9	41,3	40,6

Väsentliga händelser under räkenskapsåret
Bolaget har under 2023 slutfört avvecklingen av affärsområdet Robotexperten vilket påverkat omsättningen negativt. Under året har bolaget permanentat tidigare tillförordnad VD Charlotta Svarfvar samt rekryterat och tillsatt ny inköps- och sortimentsansvarig.

Viktiga förhållanden
Egmont Holding AB, org nr 556082-2339 med säte i Malmö, bibehåller sin ägarandel av bolaget om 100%.

Förväntad framtida utveckling
Bolaget förväntas fortsatt utveckla kunderbjudandet och stärka sin position på marknaden.

Väsentliga risker och osäkerhetsfaktorer
De risker och osäkerheter som bolaget kan påverkas av kan indelas i två områden:

Risker som bolaget kan påverka
Bolaget arbetar kontinuerligt med att säkerställa en stabil drift genom att förbättra processer och rutiner. Detaljhandel är förknippad med en viss osäkerhet, främst rörande sortiment och leverantörer, bolaget bedömer att dessa risker är av begränsad karaktär.

Yttre faktorer som kan påverka bolaget
Faktorer som bolaget inte kan påverka innefattar allmän konjunktur, säsongsvariationer som påverkas av väder och störningar av den globala handeln.
Under det senaste året har bolaget påverkats negativt av kostnadsökningar kopplat till omvärldssituationen. Bolaget har vidtagit åtgärder för att hantera potentiella effekter i 2024.

Eget kapital

	Aktiekapital	*Fritt eget kapital*
2022		
Vid årets början	140	85 312
Överkursfond		79 661
Årets resultat		-18 720
Totalt eget kapital	**140**	**146 253**
2023		
Vid årets början	140	66 592
Överkursfond		79 661
Årets resultat		6 488
Totalt eget kapital	**140**	**152 741**

Villkorlig återbetalningsskyldighet för aktieägartillskott uppgick till 75 901 Tkr (75 901 Tkr).

Förslag till disposition av företagets vinst eller förlust

	Belopp i Tkr
Styrelsen föreslår att till förfogande stående medel:	
överkursfond	79 661
balanserat resultat	66 592
årets resultat	6 488
Totalt	152 741
disponeras för	
balanseras i ny räkning	152 741
Summa	152 741

Vad beträffar resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkning med tillhörande noter.

Resultaträkning

Belopp i Tkr	*Not*	*2023-01-01-2023-12-31*	*2022-01-01-2022-12-31*
Nettoomsättning	*4*	814 745	808 059
Övriga rörelseintäkter	*1*	7 401	4 694
		822 146	812 753
Rörelsens kostnader			
Handelsvaror	*1*	-579 761	-627 993
Övriga externa kostnader	*1,5,6*	-166 322	-160 516
Personalkostnader	*7*	-50 646	-65 917
Av- och nedskrivningar av materiella och immateriella anläggningstillgångar		-15 822	-18 938
Övriga rörelsekostnader	*1*	-	-1 171
Rörelseresultat		9 595	-61 782
Resultat från finansiella poster			
Resultat från andelar i koncernföretag		-	-2 000
Övriga ränteintäkter och liknande intäkter	*1,8*	-3 105	1 172
Räntekostnader och liknande kostnader	*1,9*	-2	-1 110
Resultat efter finansiella poster		6 488	-63 720
Bokslutsdispositioner		-	45 000
Resultat före skatt		6 488	-18 720
Skatt på årets resultat	*10*	-	-
Årets resultat		**6 488**	**-18 720**

Balansräkning

Belopp i Tkr	*Not*	*2023-12-31*	*2022-12-31*
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Hyresrätt, webshop och affärssystem	*11*	868	3 148
Goodwill	*12*	42 262	51 654
		43 130	54 802
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	*13*	12 229	16 118
		12 229	16 118
Finansiella anläggningstillgångar			
Andelar i koncernföretag	*14*	2 866	2 866
		2 866	2 866
Summa anläggningstillgångar		58 225	73 786
Omsättningstillgångar			
Varulager mm			
Handelsvaror		166 994	141 112
		166 994	141 112
Kortfristiga fordringar			
Kundfordringar		6 283	7 676
Fordringar hos koncernföretag		2 750	45 116
Aktuell skattefordran		67	-
Övriga fordringar		57	49
Förutbetalda kostnader och upplupna intäkter	*15*	27 870	19 809
		37 027	72 650
Kassa och bank	*16*	68 883	14 278
Summa omsättningstillgångar		272 904	228 040
SUMMA TILLGÅNGAR		331 129	301 826

Balansräkning

Belopp i Tkr	*Not*	*2023-12-31*	*2022-12-31*
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital	*17*		
Aktiekapital		140	140
		140	140
Fritt eget kapital	*18*		
Överkursfond		79 661	79 661
Balanserad vinst eller förlust		66 592	85 312
Årets resultat		6 488	-18 720
		152 741	146 253
Summa eget kapital		152 881	146 393
Kortfristiga skulder			
Förskott från kunder		3 407	2 443
Leverantörsskulder	*1*	115 699	104 929
Skulder till koncernföretag		9 739	3 347
Skatteskulder		-	12
Övriga kortfristiga skulder		24 830	19 080
Upplupna kostnader och förutbetalda intäkter	*1,19*	24 573	25 622
		178 248	155 433
SUMMA EGET KAPITAL OCH SKULDER		331 129	301 826

Kassaflödesanalys

Belopp i Tkr	*Not*	*2023-01-01-2023-12-31*	*2022-01-01-2022-12-31*
Den löpande verksamheten			
Resultat efter finansiella poster		6 488	-63 720
Justeringar för poster som ej ingår i kassaflödet (av- & nedskrivn)		15 822	20 014
		22 310	*-43 706*
Betald inkomstskatt		-79	10 655
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		*22 231*	*-33 051*
Kassaflöde från förändringar i rörelsekapital			
Ökning(-)/Minskning (+) av varulager		-25 882	100 948
Ökning(-)/Minskning (+) av rörelsefordringar		35 691	11 381
Ökning(+)/Minskning (-) av rörelseskulder		22 826	-64 229
Kassaflöde från den löpande verksamheten		**54 866**	**15 049**
Investeringsverksamheten			
Förvärv av immateriella anläggningstillgångar	11	-	-1 678
Avyttring av materiella anläggningstillgångar	13	-	2 223
Förvärv av materiella anläggningstillgångar	13	-261	-6 510
Kassaflöde från investeringsverksamheten		**-261**	**-5 965**
Finansieringsverksamheten			
Kassaflöde från finansieringsverksamheten		**-**	**-**
Årets kassaflöde		**54 605**	**9 084**
Likvida medel vid årets början		**14 278**	**5 194**
Likvida medel vid årets slut		**68 883**	**14 278**

Noter till kassaflödesanalysen

Not Betalda räntor

	2023-01-01-2023-12-31	*2022-01-01-2022-12-31*
Erhållen ränta	218	1
Erlagd ränta	2	1 110

Not Likvida medel

	2023-12-31	*2022-12-31*
Följande delkomponenter ingår i likvida medel:		
Kassamedel	-	-
Banktillgodohavande	68 883	14 278
	68 883	**14 278**

Ovanstående poster har klassificerats som likvida medel med utgångspunkten att:
- De har en obetydlig risk för värdefluktuationer.
- De kan lätt omvandlas till kassamedel.
- De har en löptid om högst 3 månader från anskaffningstidpunkten.

Noter

Not 1 Redovisningsprinciper

Belopp i Tkr om inget annat anges

Allmänna redovisningsprinciper

Årsredovisningen har upprättats i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Ändrade redovisningsprinciper

Tidigare har valutajusteringar på fordringar och skulder av rörelsekaraktär bruttoredovisats inom Övriga rörelseintäkter och Övriga rörelsekostnader, samt valutajusteringar på omsättningstillgångar och skulder bruttoredovisats inom posterna Övriga ränteintäkter och liknande intäkter, samt inom Räntekostnader och liknande kostnader. Från och med årsredovisningen för 2023 nettoredovisar företaget valutajusteringar på fordringar och skulder av rörelsekaraktär inom antingen Övriga rörelseintäkter eller inom Övriga rörelsekostnader, samt nettoredovisar valutajusteringar på omsättningstillgångar inom posten Övriga ränteintäkter och liknande intäkter, respektive valutajusteringar på skulder inom posten Räntekostnader och liknande kostnader. Även siffrorna för 2022 har justerats i årsredovisningen. Det här påverkar övriga rörelseintäkter och därmed totala intäkter, samt Övriga rörelsekostnader, Övriga ränteintäkter och liknande intäkter, samt Räntekostnader och liknande kostnader.

Tidigare har kostnaden för frakt till kund kopplats till posten Handelsvaror i resultaträkningen eftersom det också finns en nettointäkt för frakt till kund, men från och med årsredovisningen för 2023 klassificeras kostnaden som en Övrig extern kostnad. Även siffrorna för 2022 har justerats i årsredovisningen. Det här påverkar Handelsvaror och därmed bruttomarginalen, men rörelseresultatet och rader längre ned i resultaträkningen kvarstår oförändrade.

Tidigare år har inkomna fakturor som inkommit men inte hunnit behandlats ännu per årsskiftet hamnat som Upplupna kostnader. Från och med årsredovisningen för 2023 klassificeras dessa som Leverantörsskulder. Även siffrorna för 2022 har justerats i årsredovisningen. Det här påverkar raderna Leverantörsskulder samt Upplupna kostnader och förutbetalda intäkter.

Värderingsprinciper m m

Tillgångar, avsättningar och skulder har värderats utifrån anskaffningsvärden om inget annat anges nedan.

Immateriella anläggningstillgångar

Förvärvade immateriella anläggningstillgångar

Immateriella tillgångar som förvärvats av företaget är redovisade till anskaffningsvärde minus ackumulerade avskrivningar och nedskrivningar. Här rör det sig om en hyresrätt, affärssystem och om externt genererad goodwill från ett inkråmsförvärv. Utgifter för internt genererad goodwill och varumärken redovisas i resultaträkningen som kostnad då de uppkommer.

Avskrivningar
Vid tillfället för inkråmsförvärvet uppkom ett övervärde som representerade förbättrade framtida intjäningsmöjligheter i form av högre intäkter som beräknas kvarstå under lång tid. Bedömning har gjorts att nyttjandeperioden av denna goodwill uppgår till 10 år. Avskrivning av samtliga immateriella tillgångar sker linjärt över tillgångens beräknade nyttjandeperiod. Avskrivningen redovisas som kostnad i resultaträkningen.

Immateriella anläggningstillgångar	*År*
Förvärvade immateriella tillgångar	
Hyresrätter och affärssystem	2, 3 och 5
Goodwill	10

Materiella anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar. I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Tillkommande utgifter
Tillkommande utgifter som uppfyller tillgångskriteriet räknas in i tillgångens redovisade värde. Utgifter för löpande underhåll och reparationer redovisas som kostnader när de uppkommer.

Avskrivningar
Avskrivning sker linjärt över tillgångens beräknade nyttjandeperiod eftersom det återspeglar den förväntade förbrukningen av tillgångens framtida ekonomiska fördelar. Avskrivningen redovisas som kostnad i resultaträkningen.

Materiella anläggningstillgångar	*År*
Inventarier, verktyg och installationer	3, 5 och 10

Nedskrivningar - materiella och immateriella anläggningstillgångar samt andelar i koncernföretag
Vid varje balansdag bedöms om det finns någon indikation på att en tillgångs värde är lägre än dess redovisade värde. Om en sådan indikation finns, beräknas tillgångens återvinningsvärde.

Återvinningsvärdet är det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärde. Vid beräkning av nyttjandevärdet beräknas nuvärdet av de framtida kassaflöden som tillgången väntas ge upphov till i den löpande verksamheten samt när den avyttras eller utrangeras. Den diskonteringsränta som används är före skatt och återspeglar marknadsmässiga bedömningar av pengars tidsvärde och de risker som avser tillgången. En tidigare nedskrivning återförs endast om de skäl som låg till grund för beräkningen av återvinningsvärdet vid den senaste nedskrivningen har förändrats.

Leasing
Alla leasingavtal redovisas som operationella leasingavtal.

Leasingavgifterna enligt operationella leasingavtal, inklusive förhöjd förstagångshyra men exklusive utgifter för tjänster som försäkring och underhåll, redovisas som kostnad linjärt över leasingperioden.

Utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Varulager
Varulagret är upptaget till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet. Därvid har inkuransrisk beaktats. Anskaffningsvärdet beräknas enligt vägda genomsnittspriser.

Andelar i dotterföretag, intresseföretag, gemensamt styrda företag och företag med ägarintresse i
Andelar i dotterföretag redovisas till anskaffningsvärde minskat med ackumulerade nedskrivningar. I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Skatt
Skatt på årets resultat i resultaträkningen består av aktuell skatt och uppskjuten skatt. Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skatteskuld redovisas för alla skattepliktiga temporära skillnader, dock inte för temporära skillnader som härrör från första redovisningen av goodwill. Uppskjuten skattefordran redovisas för avdragsgilla temporära skillnader och för möjligheten att i framtiden använda skattemässiga underskottsavdrag. Värderingen baseras på hur det redovisade värdet för motsvarande tillgång eller skuld förväntas återvinnas respektive regleras. Beloppen baseras på de skattesatser och skatteregler som är beslutade före balansdagen och har inte nuvärdesberäknats.

Avsättningar
En avsättning redovisas i balansräkningen när företaget har en legal eller informell förpliktelse till följd av en inträffad händelse och det är sannolikt att ett utflöde av resurser krävs för att reglera förpliktelsen och en tillförlitlig uppskattning av beloppet kan göras.

Vid första redovisningstillfället värderas avsättningar till den bästa uppskattningen av det belopp som kommer att krävas för att reglera förpliktelsen på balansdagen. Avsättningarna omprövas varje balansdag.

Intäkter
Det inflöde av ekonomiska fördelar som företaget erhållit eller kommer att erhålla för egen räkning redovisas som intäkt. Intäkter värderas till verkliga värdet av det som erhållits eller kommer att erhållas, med avdrag för rabatter.

Not 2 Uppskattningar och bedömningar
Ledningen gör uppskattningar och bedömningar om framtiden. Dessa bedömningar utvärderas löpande och baseras på historisk erfarenhet och andra faktorer, inklusive förväntningar på framtida händelser som anses rimliga under rådande förhållande. De uppskattningar för redovisningsändamål som blir följden av dessa kommer, definitionsmässigt, sällan att motsvara det verkliga resultatet. Vid beräkning av verkliga värden vid rörelseförvärv används värderingstekniker för de olika delarna i ett rörelseförvärv. De poster i årsredovisningen som i högre grad baseras på uppskattningar och bedömningar utgörs utav värde av immateriella tillgångar och varulager. De bokförda värdena är beroende av den framtida marknaden för bolagets produkter. Per den 31 december 2023, är det styrelsens bedömning att redovisat värde på dessa poster inte överstiger verkligt värde.

Not 3 Koncernuppgifter

Bagaren och Kocken AB, som utgör moderföretag för en koncern enl. not 12, upprättar ej koncernredovisning med hänvisning till reglerna i ÅRL 7 kap. 2§.
Företaget ägs till 100% av Egmont Holding AB, org nr 556082-2339 med säte i Malmö.
Egmont Holding AB är moderföretag i den minsta koncern där koncernredovisning upprättas.
Egmont Fonden CVR 11456111, Köpenhamn, är moderföretag i den största koncern som företaget ingår i, där koncernredovisning upprättas.

Inköp och försäljning inom koncernen
Av koncernens totala inköp och försäljning mätt i kronor avser 2 % (1 %) av inköpen och 0 % (0 %) av försäljningen andra företag inom hela den företagsgrupp som koncernen tillhör.

Företaget redovisar 0 (0) som internvinster på transaktioner inom koncernen.

Not 4 Nettoomsättning per rörelsegren

Nettoomsättning per rörelsegren

	2023-01-01-2023-12-31	*2022-01-01-2022-12-31*
Butiksförsäljning	19 988	18 936
Försäljning webshop	794 757	789 123
Summa	**814 745**	**808 059**

Nettoomsättning per geografisk marknad

	2023-01-01-2023-12-31	*2022-01-01-2022-12-31*
Sverige	389 827	369 479
Norge	216 505	198 748
Danmark	192 282	226 127
Finland	16 131	13 705
Summa	**814 745**	**808 059**

Not 5 Operationell leasing och lokalhyror - leasetagare

	2023-01-01-2023-12-31	*2022-01-01-2022-12-31*
Framtida minimileaseavgifter avseende icke uppsägningsbara operationella leasingavtal och hyror:		
Inom ett år	12 455	10 491
Mellan ett och fem år	20 866	28 508
Senare än fem år	-	-
	33 321	38 999
Räkenskapsårets kostnadsförda leasingavgifter och hyror	12 263	11 976

Företaget innehar avtal om operationell leasing huvudsakligen avseende inventarie- och lokalhyra.

Not 6 Arvode och kostnadsersättning till revisorer

	2023-01-01-2023-12-31	*2022-01-01-2022-12-31*
Ernst & Young AB, Alexandra Funseth		
Revisionsuppdrag	-	136
Andra uppdrag	-	70
Öhrlings PricewaterhouseCoopers AB, Mattias Palmqvist		
Revisionsuppdrag	260	-
Andra uppdrag	81	-

Med revisionsuppdrag avses lagstadgad revision av årsredovisningen och bokföringen samt styrelsens och verkställande direktörens förvaltning samt revision och annan granskning utförd i enlighet med överenskommelse eller avtal.

Detta inkluderar övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

Not 7 Anställda och personalkostnader

Medelantalet anställda

	2023-01-01-2023-12-31	*Varav män*	*2022-01-01-2022-12-31*	*Varav män*
Sverige	96	43	114	51
Totalt	**96**	**43**	**114**	**51**

Redovisning av könsfördelning i företagsledningar

	2023-12-31	*2022-12-31*
Andel kvinnor		
Styrelsen	0%	0%
Övriga ledande befattningshavare	66,7%	45%

Löner och andra ersättningar samt sociala kostnader, inklusive pensionskostnader

	2023-01-01-2023-12-31	*2022-01-01-2022-12-31*
Styrelse och VD	1 631	2 189
Övriga anställda	35 380	42 286
Summa	**37 011**	**44 475**
Sociala kostnader	14 111	16 701
(varav pensionskostnader) 1)	2 513	3 145

1) Av företagets pensionskostnader avser 101 tkr (608 tkr) företagets VD och styrelse. Företagets utestående pensionsförpliktelser till dessa uppgår till 0 tkr (0).

Not 8 Ränteintäkter och liknande resultatposter

	2023-01-01-2023-12-31	*2022-01-01-2022-12-31*
Ränteintäkter, koncernföretag	204	-
Ränteintäkter, övriga	14	1
Valutajusteringar på omsättningstillgångar	-3 323	1 171
Summa	**-3 105**	**1 172**

Not 9 Räntekostnader och liknande resultatposter

	2023-01-01-2023-12-31	*2022-01-01-2022-12-31*
Räntekostnader, koncernföretag	-	-1 061
Räntekostnader, övriga	-2	-49
Summa	**-2**	**-1 110**

Not 10 Skatt på årets resultat

	2023-01-01-2023-12-31	*2022-01-01-2022-12-31*
Aktuell skattekostnad	-	-
	-	-

Avstämning av effektiv skatt

		2023-01-01-2023-12-31		*2022-01-01-2022-12-31*
			Procent	Belopp
Resultat före skatt		6 488		-18 720
Skatt enligt gällande skattesats	20,6	1 337	20,6	-3 856
Skatteeffekt ej avdragsgilla kostnader	1,8	119	-3,1	579
Skatteeffekt ej skattepliktiga intäkter	0	-2	1,5	-272
Ökning av underskottsavdrag utan motsvarande aktivering av uppskjuten skatt	-22,4	-1 454	-19	3 549
Redovisad effektiv skatt	-	-	-	-

Not 11 Förvärvade immateriella tillgångar

	2023-12-31	*2022-12-31*
Ackumulerade anskaffningsvärden		
-Vid årets början	22 190	20 512
-Nyanskaffningar	-	1 678
Vid årets slut	22 190	22 190
Ackumulerade avskrivningar		
-Vid årets början	-19 042	-12 245
-Årets avskrivning	-2 280	-6 797
Vid årets slut	-21 322	-19 042
Redovisat värde vid årets slut	**868**	**3 148**

Not 12 Goodwill

	2023-12-31	*2022-12-31*
Ackumulerade anskaffningsvärden		
-Vid årets början	93 916	93 916
Vid årets slut	93 916	93 916
Ackumulerade avskrivningar		
-Vid årets början	-42 262	-32 871
-Årets avskrivning	-9 392	-9 391
Vid årets slut	-51 654	-42 262
Redovisat värde vid årets slut	**42 262**	**51 654**

Not 13 Inventarier, verktyg och installationer

	2023-12-31	*2022-12-31*
Ackumulerade anskaffningsvärden		
-Vid årets början	21 799	17 512
-Nyanskaffningar	261	6 510
-Avyttringar och utrangeringar	-	-2 223
	22 060	21 799
Ackumulerade avskrivningar		
-Vid årets början	-5 681	-3 856
-Återförda avskrivningar på avyttringar och utrangeringar	-	1 187
-Årets avskrivning	-4 150	-3 012
	-9 831	-5 681
Redovisat värde vid årets slut	**12 229**	**16 118**

Not 14 Andelar i koncernföretag

	2023-12-31	*2022-12-31*
Ackumulerade anskaffningsvärden:		
-Vid årets början	2 866	4 866
-Nedskrivning	-	-2 000
Redovisat värde vid årets slut	**2 866**	**2 866**

Specifikation av moderföretagets innehav av aktier och andelar i koncernföretag
Ägarandelen av kapitalet avses, vilket även överensstämmer med andelen av rösterna för totalt antal aktier.

Dotterföretag / Org nr / Säte	*Antal-andelar*	*Kapital andel i %*	*Rösträtts andel i %*	*Redovisat värde*
Go Shopping ApS, CVRnr 30521153, Herning	125 000	100	100	2 866
				2 866

	*Eget kapital**	*Årets resultat***
Go Shopping ApS, CVRnr 30521153, Herning	2 962	-37

* Eget kapital samt Årets resultat har angetts i sin helhet oavsett ägarandel.
** Med Årets resultat avses resultat efter finansiella poster

Not 15 Förutbetalda kostnader och upplupna intäkter

	2023-12-31	*2022-12-31*
Upplupna intäkter	19 628	12 897
Förutbetalda varukostnader	1 651	1 540
Förutbetalda kostnader för övriga externa tjänster	6 591	5 372
	27 870	**19 809**

Not 16 Ställda säkerheter och eventualförpliktelser

Ställda säkerheter

	2023-12-31	*2022-12-31*
För egna skulder och avsättningar		
Avseende skulder till kreditinstitut		
Tullgaranti	554	554
Summa ställda säkerheter	**554**	**554**

Not 17 Antal aktier och kvotvärde

	2023-12-31	*2022-12-31*
antal aktier	1 404	1 404
kvotvärde (kr)	100	100

Not 18 Disposition av vinst eller förlust

Förslag till disposition av företagets vinst eller förlust
Styrelsen föreslår att fritt eget kapital, 152 741 Tkr, disponeras enligt följande:

	2023-12-31
Balanseras i ny räkning (Tkr)	152 741
	152 741

Not 19 Upplupna kostnader och förutbetalda intäkter

	2023-12-31	*2022-12-31*
Uppl. löner och andra ersättn samt sociala kostn. inkl. pensionskostn.	7 946	9 674
Upplupna varukostnader	6 755	5 443
Upplupna kostnader för övriga externa tjänster	9 872	10 505
	24 573	**25 622**

Not 20 Hållbarhetsrapport

Bagaren och Kocken AB omfattas av en Hållbarhetsrapport upprättad av Egmont International Holding A/S, orgnr 67262, Köpenhamn. Rapporten kan hämtas från:
https://www.egmont.com/key-figures-reports

Underskrifter

Göteborg den dag som framgår av vår elektroniska underskrift

Cato Broberg
Styrelseordförande

Per Harrysson
Styrelseledamot

Torsten Rasmussen
Styrelseledamot

Charlotta Svarfvar
Verkställande direktör

Vår revisionsberättelse har lämnats den dag som framgår av vår elektroniska underskrift

Mattias Palmqvist
Auktoriserad revisor
Öhrlings PricewaterhouseCoopers AB

Deltagare

ÖHRLINGS PRICEWATERHOUSECOOPERS AB 556029-6740 Sverige

Signerat med Svenskt BankID — *2024-05-31 11:29:31 UTC*

Namn returnerat från Svenskt BankID: Johan Henrik Mattias Palmqvist

Mattias Palmqvist
Partner

Leveranskanal: E-post

BAGAREN OCH KOCKEN AB 556747-4001 Sverige

Signerat med Norskt BankID — *2024-05-31 11:27:09 UTC*

Namn returnerat från Norskt BankID: BROBERG, CATO

Cato Broberg
Ordförande

Leveranskanal: E-post

BAGAREN OCH KOCKEN AB 556747-4001 Sverige

Signerat med Svenskt BankID — *2024-05-31 09:12:14 UTC*

Namn returnerat från Svenskt BankID: HANS PER STEFAN HARRYSSON

Per Harrysson
Ledamot

Datum

Leveranskanal: E-post

BAGAREN OCH KOCKEN AB 556747-4001 Sverige

Signerat med MitID — *2024-05-31 08:48:06 UTC*

Namn returnerat från MitID: Torsten Bjerre Rasmussen

Torsten Rasmussen
Ledamot

Datum

Leveranskanal: E-post

BAGAREN OCH KOCKEN AB 556747-4001 Sverige

Signerat med Svenskt BankID — *2024-05-31 06:40:51 UTC*

Namn returnerat från Svenskt BankID: Solveig Anna Charlotta Svarfvar

Charlotta Svarfvar
VD

Datum

Leveranskanal: E-post

EGMONT

We bring stories to life

EGMONT FONDEN

Annual Report 2023

CVR No. 11456111

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Management's Review

CONSOLIDATED FINANCIAL HIGHLIGHTS	2023	2022	2021	2020	2019
Key figures (EUR million)					
Revenue	2,376.8	2,303.1	2,073.5	1,542.0	1,681.7
Profit before net financials, depreciation, amortisation and impairment losses (EBITDA)	284.0	255.9	390.2	224.6	249.6
Operating profit (EBIT)	84.2	81.1	255.9	97.8	125.3
Profit/(loss) from investments in associates	1.7	0.4	4.4	3.4	(32.2)
Net financial income/(expense) from operation	(6.7)	1.4	0.4	(4.8)	(1.5)
Adjusted operating profit	79.2	82.9	260.7	96.4	91.6
Financial income and expenses, net	(28.9)	(14.4)	(14.6)	(16.4)	(12.8)
Profit before tax (EBT)	50.4	67.1	245.6	84.8	80.3
Profit for the year	41.6	61.6	224.2	74.4	55.2
Total assets	2,451.7	2,545.2	2,500.4	1,948.6	1,885.7
Investments in intangible assets	121.5	129.6	89.7	60.5	76.5
Investments in property, plant and equipment	14.9	27.3	21.4	18.8	26.0
Net interest-bearing debt*	450.8	495.1	306.2	121.1	169.6
Equity **	1,082.7	1,096.9	1,097.7	885.8	885.9
Cash generated from operations ***	269.0	218.3	301.3	223.2	255.2
Financial ratios (%)					
Operating margin	3.5	3.5	12.3	6.3	7.5
Equity ratio **	43.9	42.5	43.3	44.8	46.8
Return on equity	3.5	5.6	22.3	7.8	6.3
Average number of full-time employees	6,220	6,201	5,376	4,310	4,264

* *Including IFRS 16 leasing debt*

** *The Group has changed the accounting policies regarding recognition of revenue from gift cards. Comparative figures for 2022 has been restated impacting equity with -2.6 million, reducing the equity ratio from 42.6% to 42.5%. We refer to Note 1 - Accounting Policies, for further description*

*** *Calculated before net financials and tax.*

Financial ratios stated above have been calculated in accordance with the Danish Finance Society's "Recommendations & Ratios"..

Egmont is a leading Nordic media group with a dual purpose. Every day we bring stories to life and we empower children and youth at risk to pursue a good life.

Our stories matter to people and society. From the entertaining to the in-depth, from paper to screens, from 24/7 news to Oscar winners. We are driven by the stories that touch our hearts, enlighten, educate, inspire, create communities and push for change.

With a strong entrepreneurial spirit in our DNA, we're constantly looking for new ways to share what is important to us. Today we are more than 100 innovative companies and brands that cover books, TV, magazines, movies, games, cinemas, education, e-commerce, and agencies. We are behind great companies such as Nordisk Film, Story House Egmont, TV 2 in Norway, Lindhardt and Ringhof and Cappelen Damm.

Our own story is about taking responsibility and giving back to society. As an enterprise foundation we have spent part of our profits to help others for more than 100 years. In 2023, we donated 14.9 million EUR supporting children and young people in completing an education and pursuing a good life.

Our commitment means that we will invest heavily in content and continue to improve our sustainability performance.

EGMONT IN 2023

Consolidated revenue in 2023 grew by 3% to all-time-high EUR 2,377 million. EBIT amounted to EUR 84 million, corresponding to an EBIT-margin of 3.5%.

The result is satisfactory given the general macroeconomic headwind with high inflation giving cost increases on especially paper and print, a global decline in the production of computer games, films and TV series, a dwindling advertising market and considerable additional costs from the introduction of VAT on TV news in Norway. Egmont was also affected by the depreciation of the Norwegian and Swedish currencies.

Despite these challenges in the market, Egmont had a good year in terms of its output of movies, TV, computer games, books and magazines. TV 2's streaming service in Norway reached record numbers of customers, licences at the educational publishers rose to their highest-ever levels, the digital agencies made progress, and the computer games companies had more than 3.5 million users per month on their own games.

Egmont continued its green transition. A solar plant in Denmark with Egmont as a co-investor began operating in 2023, and another in Sweden with Egmont as the sole investor will open in 2024. Together, the solar plants will cover approximately two-thirds of Egmont's businesses electricity consumption with renewable electricity.

TV 2 saw revenue decline in 2023 in EUR mainly related to advertising, but in local currency revenue was up 10% compared to 2022. Compared to last year TV 2 has improved adjusted operating profit, but 2022 was a special year with distributor conflict and missing distribution revenue up to 8 months. In 2023, TV 2 entered into a new public broadcaster agreement and improved the number of TV 2 Play subscribers.

Nordisk Film had a good year with all-time-high revenue with all business areas - in particular Interactive had a strong year with top-line growth of 47%. However, adjusted operating profit was down compared to 2022, due to write-down of projects in Games.

Story House Egmont saw revenue decline in 2023 in EUR mainly related to Media and e-commerce, but in local currency revenue was on par with the year before. Adjusted

operating profit decreased compared to 2022 especially driven by Media where a restructuring program of EUR 3 million contributed negatively. Despite challenges in some companies, e-commerce improved operating profit versus 2022. Agencies were faced with a more challenged market in 2023.

In Egmont Books, revenue in Cappelen Damm was 17% down in EUR from all-time-high revenue in 2022 and 5% down in local currency primarily due to Retail and Education. Adjusted operating profit decreased compared to the year before due to higher cost especially on printing and paper cost. In Lindhardt og Ringhof revenue was up 14% compared to 2022 driven by Education and Saga and operating profit was better than last year. Lindhardt og Ringhof added 13,000 digital publications to its global catalogue of 130,000.

KEY FINANCIAL FIGURES FOR 2023

Revenue

Egmont's revenue for 2023 amounted to EUR 2,377 million, an increase of 3% in EUR and 12% in local currency compared to 2022. The growth is related to strong content and products across Egmont's businesses. It is the third year in a row that revenue has increased. The increase was especially driven by Nordisk Film Interactive and distribution revenue in TV 2 while advertising, media and e-commerce revenue was challenged compared to last year.

Earnings

Profit before net financials, depreciation and amortisation (EBITDA) amounted to EUR 284.0 million, corresponding to an EBITDA margin of 11.9% compared to a margin of 11.1% in 2022. Operating profit (EBIT) of EUR 84.2 million was EUR 3.0 million higher than 2022 but with swings across divisions. Adjusted operating profit of EUR 79.2 million was EUR 3.7 million lower than 2022 driven by the negative development in fair value of derivatives due to swings in currency.

The pre-tax profit (EBT) in 2023 amounted to EUR 50.4 million, a decrease of EUR 16.7 million compared to 2022. EBT was negatively impacted by increasing net financial expenses due to the higher interest rate level. The result is satisfactory given the general macroeconomic headwind with high inflation giving cost increases and is in line with the expectations communicated in the annual report for 2022.

Tax on profit for the year amounted to an expense of EUR 8.8 million, corresponding to an effective tax rate of 17%.

The net profit for the year was EUR 41.6 million in 2023 against EUR 61.6 million in 2022.

Balance sheet

Total assets amounted to EUR 2,451.7 million compared to EUR 2,545.2 million in 2022. The decrease is mainly caused by exchange rates adjustments.

Net interest-bearing debt amounted to EUR 450.8 million compared to EUR 495.1 million in 2022.

Equity at the end of 2023 amounted to EUR 1,082.7 million compared to EUR 1,096.9 million last year. Equity was affected by positive earnings and positive value adjustments of hedging instruments, but off-set by foreign exchange adjustments on translation of foreign entities (lower SEK and NOK exchange rates) and donations.

Return on equity was 3.5% compared to 5.6% in 2022. The equity ratio at the end of 2023 came to 43.9% compared to 42.5% in 2022.

Cash flow

Cash generated from operations amounted to EUR 269.0 million against EUR 218.3 million in 2022. Cash flows from investing activities amounted to an expense of EUR 139.6 million, primarily regarding acquisition of film rights and other rights.

TV 2, Norway

Revenue in 2023: EUR 637 million (2022: EUR 653 million)
Adjusted operating profit in 2023: EUR 16 million (2022: EUR 8 million)
Employees in 2023: 1,230 (2022: 1,165)

TV 2 is a commercial public service broadcaster with a unique content portfolio of news, sports, local programming, and international films and series. The public broadcaster channel TV 2 Direkte and the 24/7 news channel TV 2 Nyheter are leading TV channels, and TV 2 Play is the most used commercial streaming service in the Norwegian market. TV 2 also operates TV2.no, one of the most popular online news sites.

Revenue for 2023 totaled EUR 637 million, a decrease from EUR 653 million in 2022 that can be attributed to the depreciation of the Norwegian krone (NOK). In local currency, TV 2's revenue grew 10%. In 2023, profitability was affected by a combination of factors; the government's decision to abruptly impose VAT on digital news services, general cost increases, a declining advertising market, and a weakened Norwegian currency. Cost-reductions were implemented during 2023 that will take full effect from 2024. Adjusted operating profit was up by EUR 8 million on 2022, as 2022 was impacted negatively by distribution conflict.

In 2023, TV 2 strengthened its competitive and strategic position and entered into a new public service broadcaster agreement that grants TV 2 a continued remit as a commercial public broadcaster for the period 2024 through 2028.

TV 2 CONTENT

2023 was a strong content year for TV 2 with in-depth, 24-hour news coverage of e.g. local elections, extreme weather events, and international conflicts such as the wars in Ukraine and the Middle East. Both established and brand-new concepts delivered strongly, with *Kompani Lauritzen* (*Celebrity Task Force*) returning for its fourth season, garnering an average viewership of more than one million per episode across TV 2 Play and TV 2 Direkte combined. New shows such as *Asbjørns Julekalender* (*Asbjørn's Christmas Calendar*), *Kokkeskolen* (*Chef's Academy*) and documentary series *Petter – Der ingen vil bo* (*Petter – Where no one wants to live*) were met with a positive reception from TV 2's audience.

TV 2 CHANNELS

As a result of high-quality local programming, TV 2 increased its share of the commercial TV market from 51.2% in 2022 to 54.4% in 2023. Total market share reached 27.8%, up by 2.3 percentage points on 2022.

TV 2's public service channel, TV 2 Direkte, demonstrated high ratings on several flagship concepts and contributed to the growth in total market share of 0.3 percentage points to 17.3%. The sports channels combined achieved an increase of 0.7 percentage points to 2.1% – partly due to the return of Eliteserien. TV 2 Zebra contributed with an increase in total market share of 0.6 percentage points to 2.6%. TV 2 Nyheter continued to do well with a total market share of 4.1%, an increase of 0.2 percentage points from 2022.

TV 2 PLAY

TV 2 Play's subscriber base grew substantially through 2023 as a result of strong content offerings as well as new distribution agreements. Through these agreements, TV 2 Play is included in all basic TV packages and on-demand viewing, including catch-up, takes place on TV 2 Play. The launch of Norwegian football, Eliteserien, on TV 2 Play and the exclusive OTT distribution agreement between

TV 2 Play and Disney+, the first of its kind on a global basis, also contributed to subscriber growth. The daily use of TV 2 Play continued to be among the highest in the market. For several months of the year, TV 2 Play was the most-watched commercial streaming service surpassing its global competitors.

Following the expiration of the Premier League rights in 2022, TV 2 Play had its first year in 2023 with a combination of rights to Eliteserien and Champions League that enabled TV 2 Play to establish a solid basis of premium subscribers with potential for further expansion.

TV2.NO

TV2.no experienced additional growth in its market share in 2023. Compared to Q1 and Q2 of 2022, TV2.no saw an increase in daily users by 18.3% and 11.8%, respectively, whereas main competitors registered a decline in the same period. In Q3 and Q4, TV2.no saw stable traffic development. Despite a reduction in media spend in the Norwegian market, 2023 witnessed a rise in advertising sales for TV2.no compared to 2022.

RIKSTV

RiksTV operates as a distributor of pay TV channels in the Norwegian digital terrestrial TV network with additional operations in the fiber and streaming market. Serving approximately 250,000 customers, RiksTV continued to experience growth in streaming and fiber markets while seeing an expected decline in the digital terrestrial sector.

Nordisk Film

Revenue in 2023: EUR 729 million (2022: EUR 573 million)
Adjusted operating profit in 2023: EUR 37 million (2022: EUR 51 million)
Employees in 2023: 2,012 (2022: 2,007)

Nordisk Film is a leading Nordic entertainment company focused on storytelling in films, series, and games across platforms.

Revenue in 2023 reached an all-time high of EUR 729 million, compared to EUR 573 million in 2022, with all business areas contributing. Adjusted operating profit was down in 2023 due to overall increased costs and write-downs of projects in the game studios. Cost-reductions were implemented in the content production and games divisions to counter tough market conditions with broadcasters, streamers, and game publishers holding back and commissioning fewer new projects.

FILM & SERIES

Nordisk Film provides Nordic consumers with high-quality film and series through its own and associated production companies and through collaborations. Performance was up on 2022 driven by a versatile title line-up and solid sales.

Nikolaj Arcel's *The Promised Land* produced by associated company Zentropa sold nearly 250,000 cinema tickets in Denmark and won three awards including Best Actor at the European Film Awards. Fully owned Nordisk Film Production premiered a range of films throughout 2023. In Denmark, *The Land of Short Sentences*, *Before It Ends*, *The Kiss*, *Tove's Room*, *Nightwatch: Demons are Forever*, and *Unruly* sold 1.3 million tickets collectively – constituting more than half of the total ticket sale for all Danish films in 2023. In Sweden, *Second Act* was one of the year's most viewed films. In Norway, *Christmas on Cobbler Street* sold approx. 400,000 tickets while *Narvik* sold 530,000 tickets and became number one when Netflix released the film globally outside Norway.

Nordisk Film distributed and marketed a total of 60 local and international titles across the Nordics in 2023. Among them, *The Hunger Games* prequel *Ballad of Songbirds and Snakes* sold 550,000 tickets and *John Wick 4* sold 430,000 tickets.

CINEMAS

Nordisk Film Cinemas is a leading cinema chain in the Nordics and was named International Exhibitor of the Year Award at CineEurope in 2023. A cinema in Sarpsborg, Norway, opened at the beginning of 2023, and the chain now operates a total of 46 cinemas – 23 in Denmark, 21 in Norway, and 2 in Sweden.

In 2023, film supply was still partially impacted by the Covid-19 pandemic and a shortage of international titles, however, films like *Barbie* and *Oppenheimer* demonstrated significant theatrical demand. Nevertheless, total ticket sales for cinemas remained below pre-Covid-19 levels. The film supply for the year also felt repercussions of an extended writers' and actors' strike in the US – with potential implications extending into 2024's film line-up. Nordisk Film Cinemas launched a new cinema subscription – first of its kind in Scandinavia – and its media business had a solid performance with notably strong results.

GAMES

Nordisk Games owns and co-owns six game studios: Avalanche Studios Group, Supermassive Games, Flashbulb Games, associated company Star Stable Entertainment, minority owned MercurySteam, and Nitro Games that following dilution transitioned to a minority position. The portfolio of companies saw solid growth for the year with revenues from Supermassive Games fully consolidated in

2023 after acquisition of all shares in mid-2022. Profitability was, however, affected by write-downs of projects. Avalanche Studios Group had a record-breaking year with *theHunter: Call of the Wild*, the world's largest hunting game. Supermassive Games announced several new development deals. Star Stable Entertainment expanded its reach by launching its online adventure horse game on the Android platform. Flashbulb Games continued to expand *Trailmakers* and *Rubber Bandits*, while MercurySteam worked on two large undisclosed titles.

Nordisk Interactive is the official distributor of Sony PlayStation in the Nordic and Baltic countries. In 2023, the PlayStation 5 (PS5) had the third full year in the market with free availability from March 2023 generating strong sales after a couple of years of supply constraints. The biggest exclusive PlayStation game in 2023 was *Spiderman 2*. PlayStation VR2 was launched in February, and towards the end of 2023, the PS5 received a new look with the *Slim* console.

GIFTING

The gifting company GoGift achieved overall growth in 2023. While the Nordic markets were impacted by weakened currencies, the global segments showed robust growth especially towards the end of the year. GoGift has sales in more than 60 countries since the recent launch of The Global Gift Card.

Story House Egmont

Revenue in 2023: EUR 797 million (2022: EUR 853 million)
Adjusted operating profit in 2023: EUR 23 million (2022: EUR 31 million)
Employees in 2023: 1,934 (2022: 2,045)

Story House Egmont is a leading Nordic media, agency, and e-commerce company which is behind well-known magazines, provides inspiration, insights and products to consumers in niche areas, and supports clients in building brands in the digital world.

In 2023, revenue amounted to EUR 797 million compared to EUR 853 million in 2022, in local currencies revenue was on-par with 2022. Adjusted operating profit was EUR 23 million, a decline from 2022 related to high inflation, reduced consumer confidence, increased costs, and restructuring.

MEDIA

Story House Egmont's media business is focused on magazine publishing and contributes to a diverse and high-quality content-based media landscape in 24 countries across the Nordics, Europe, and some other international markets. The media business also has a range of digital media, digital services, and lifestyle sites. The media brands reach millions of consumers every day, and the magazines raised a variety of important agendas throughout 2023.

Overall, the media business demonstrated solid performance although especially the consumer categories experienced lower sales. Kids publishing delivered the strongest performance, including with Asterix and Disney. Cost-reductions were implemented particularly in the Norwegian media business to mitigate declining market trends.

E-COMMERCE

Story House Egmont's leading Nordic e-commerce companies covers five areas: Outdoor, Parenting, Home & Interior, Health & Beauty, and Hobby. The companies strive to be category experts, offering inspiration, communities, and customised experiences. The e-commerce companies are: Fjellsport (Skittfiske was integrated in Fjellsport in 2023), Outnorth, Bagaren och Kocken (including KitchenOne), Royal Design Group (including Rum21 and Andlight), Nicehair, and the minority-owned companies Jollyroom and Med24.

In 2022, following pandemic tailwind, Story House Egmont experienced decreasing sales and profit levels in the e-commerce business although with substantial differences among businesses and markets. The trend was more positive in late 2023, and some of the portfolio companies performed substantially better in 2023 compared to 2022 while others were still affected by lower sales.

AGENCIES

Story House Egmont has agencies that operate within Performance Marketing, B2B/inbound marketing and Digital full-service. All agencies work actively to connect brands and consumers in an increasingly digital world and thereby help other companies tell their stories and build strong brands. The agency portfolio continues to develop through a combination of organic growth and targeted M&A activities.

The agencies are: Ingager, s360 (including Helion), Klintberg/Niléhn, Markedspartner, KAN, and OKTO. In 2023, s360 acquired London-based Reload Digital. Total revenue was up, but some agencies experienced lower activities and a margin decrease. Overall, profitability was still strong with a double-digit average EBIT margin.

Egmont Books

Revenue in 2023: EUR 217 million (2022: EUR 224 million)
Adjusted operating profit in 2023: EUR 16 million (2022: EUR 13 million)
Employees in 2023: 902 (202: 850)

Egmont Books comprises the two publishing houses Cappelen Damm in Norway and Lindhardt og Ringhof in Denmark. Revenue in 2023 amounted to EUR 217 million compared to EUR 224 million in 2022, but a growth of 4% was realised when measured in local currency. Adjusted operating profit was up by EUR 3 million on 2022.

CAPPELEN DAMM

Cappelen Damm is Norway's largest publishing house, and it develops, sells, and distributes analogue and digital publications in all genres of both general publishing and educational publishing for all teaching levels. Cappelen Damm owns the distribution company Sentraldistribusjon, and it co-owns the audiobook streaming service company Storytel Norway AS. In 2023, Cappelen Damm launched more than 3,000 new publications – hardcover editions, digital teaching material, audiobooks, e-books, and paperbacks – which, according to The Norwegian Publishers Association's Industry Statistics, corresponds to almost 40% of all book publications in Norway.

In 2023, Cappelen Damm saw a slight decrease in revenue compared to an all-time-high in 2022. This can primarily be attributed to the reforms of education material for primary and secondary school in previous years which generated extra sales. Despite the reform already implemented, digital education registered double-digit revenue growth in 2023, while general publishing registered growth in audiobooks but lower sales of physical books. Energy prices increased the cost of paper and printing to new high levels, impacting Cappelen Damm's overall result.

Cappelen Damm published a range of bestselling titles in 2023, among them *Atlas* by Lucinda Riley and Harry Whittaker, *Å vanne blomster om kvelden* by Valerie Perrin, *Bukkene Bruse og julenissen* by Bjørn Rørvik, and *Haakon: historier om en tronarving* a biography on the Norwegian Crown Prince Håakon. Cappelen Damm author Ingvar Ambjørnsen won the prestigious Brage Honorary Award.

In November 2023, the Norwegian Competition Tribunal decided that the Norwegian Competition Authority's case against Bokbasen and its owners, four publishing houses including Cappelen Damm, was based on a misinterpretation of the market and that there was no violation of the competition law.

LINDHARDT OG RINGHOF

Lindhardt og Ringhof increased its revenue through organic growth and acquisitions and is now one of the two market leaders in Denmark. Since 2017, Lindhardt og Ringhof has doubled its revenue. In 2023, Lindhardt og Ringhof won a lawsuit filed by Gyldendal regarding digital rights to translations of older publications, where the court sided with Lindhardt og Ringhof.

Lindhardt og Ringhof published more than 600 new titles in the Danish market in 2023 and among the significant releases were American author Bret Easton Ellis's *The Shards*, German author Ulrikke Herman's *The End of Capitalism*, and the Pulitzer Prize winning American novel *Trust* by Hernan Diaz. Non-fiction books such as Eva Ravnbøl's *Guds eget køkken*, Anja C Andersen's *Det gådefulde univers* and Dorthe Bomann's conversation book with Niels Hausgaard, *Når vi ånder i takt*, took top positions on the bestseller lists.

Lindhardt og Ringhof's digital and international publisher Saga released local and international audiobooks and e-books in eleven languages in 2023, and it added 13,000 digital publications to its global catalogue of now 130,000 digital publications overall. Saga launched various Danish authors internationally and concluded several major collaboration agreements.

Lindhardt og Ringhof's educational business grew substantially through the integration of Clio (acquired August 2022) into the imprint Alinea.

Egmont's Grants

In Scandinavia, there is equal access to education – but not equal opportunities to complete it. Children at risk have significantly lower chances of finishing primary school. The differences that exist between children early on in their lives form the basis for life-long inequity.

As a foundation, Egmont supports children and young people at risk. Those growing up in poverty or placed in foster care, those who find learning particularly difficult, those who live with illness or social challenges. We support children from birth until they are well underway with a youth education. We work for all children and young people to have a safe start in life, thrive, learn through school, and be part of their respective children's communities. Our aim is to ensure that everyone completes their youth education, which will prepare them well for creating a fulfilling life.

In 2023, Egmont granted a total of EUR 14.9 million via 28 grants. In sum, since 1920 approx. EUR 520 million (present value) has been donated.

NEW SIGNATURE PROGRAMME

In 2023, Egmont initiated a new signature project, *SygtStærk* (*StayStrong*), supporting seriously ill young people in completing a youth education. With a strong focus on involving the young people themselves, *SygtStærk* has launched a life skills program, a mentoring scheme, and a social community in 2023. The vision for *SygtStærk* is to expand nationwide.

MATHEMATICS SUPPORT

One of seven pupils in primary school struggle with mathematics. The 2023 Egmont Report documented that the difficulties have severe negative long-term consequences in terms of completing an education and finding a job. The Egmont Report received substantial media coverage and, together with children featured in the report, Egmont's Grants Administration met with the Danish Minister of Children and Education to advocate for more and better support for children with math difficulties.

CONSEQUENCES OF CHILD POVERTY

Based on Egmont's legacy of combating child poverty, we focused on the negative consequences of growing up in poverty in 2023. Egmont launched a new report on the lack of positive activities for children in poverty during their summer vacation and debated the issue at the Danish *Folkemødet* (*People's Meeting*). Through the *Helping Hand Programme* Egmont provided direct support for children and young people at risk through partnership organisations in Denmark, Norway, and Sweden.

NEW GRANTS FOR PATERNITY LEAVE

Based on knowledge from the Egmont Rapport 2022, Egmont donated four grants in 2023 supporting paternity leave. The aim of these grants is to strengthen the early attachment between the infant and the father to benefit the child's early development and well-being.

ACTIVITIES IN SWEDEN AND NORWAY

Since 2009, Egmont has had charitable activities in Norway and from 2021 also in Sweden. In 2023, support was granted in Norway through the *Helping Hand Programme* and a partnership with Kronprinsparets Fond (The Crown Prince Couple's Foundation). In Sweden, *Berätterministeriet*, that aims to strengthen pupils at the most vulnerable schools in Malmö, was launched.

NORDISK FILM FONDEN

Nordisk Film Fonden is part of the Egmont foundation and contributes to the creation of world-class film talents. In 2023, Nordisk Film Fonden donated EUR 1.0 million. The scholarships *Store Isbjørn* and *Lille Isbjørn* were awarded to 67 film talents to study abroad; and for initiatives stimulating the cinematic narrative and use of virtual production tools donations included the film tech conference Picture This_23, the talent programme Super16, Vizarts AI & Filmmaking Labs, and a new initiative in Norway, *the Polar Bear's Writing Camp*. The Nordisk Film Award in Denmark went to documentary director Lea Glob and in Norway to scriptwriter/director Kristoffer Borgli. The Balling Award went to scriptwriter Mette Heeno and the Ove Sprogøe Award to actor Jacob Lohmann.

Egmont Fonden (parent entity)

The profit reported by Egmont Fonden, the parent entity of the Egmont Group, excluding dividends from equity investments in subsidiaries, was EUR 6.1 million (2022: 2.0 million) due to increased interest income. Egmont Fonden's commercial activities primarily comprise royalty income from the Foundation's publishing rights and management of the Foundation's assets. For 2024, Egmont Fonden expects an unchanged profit excluding dividends.

Corporate Social Responsibility

Egmont's Sustainability Report provides detailed information on sustainability and our responsible business behaviour. The Sustainability Report serves as a supplement to the United Nations Global Compact Communication on Progress, which will be submitted through the CoP digital platform. The Sustainability Report includes Egmont's mandatory non-financial reporting in accordance with article 99a, and Egmont's statement on data ethics in accordance with article 99d of the Danish Financial Statements Act. The full report can be downloaded at: www.egmont.com/key-figures-reports.

The highlights from Egmont's Sustainability Report 2023 are set out below.

GO GREENER

Egmont's Go Greener strategy describes Egmont's ambitions to contribute to a low-carbon economy and a better planet for future generations. Egmont's greenhouse (GHG) emissions from scope 1 and 2 (market-based) and selected scope 3 categories have decreased from 52,273 tCO2e in 2022 to 45,965 tCO2e in 2023 (-12%). From 2022, Egmont has matched its total electricity consumption (scope 2) with 100% renewable electricity, which has significantly decreased Egmont's emissions (market-based) from own operations. During 2023, Egmont has worked on its selected scope 3 focus areas and set reduction targets for key scope 3 categories in two divisions. Going forward, Egmont will set robust GHG emission reduction targets for scope 1, 2 and 3 aligned with the Paris Agreement and continue preparing for CSRD reporting.

BUSINESS ETHICS AND ANTI-CORRUPTION

Egmont's Business Ethics Policy incorporates a wider range of legal compliance areas, and it is an overall umbrella to communicate compliance policies and how Egmont expects all managers and employees to act. The Business Ethics e-learning presents the employees with dilemmas and cases, which they may encounter in their daily business. The training is automatically assigned to all relevant new employees and Egmont runs regular refresher training for all relevant employees and conducts training on certain topics based on a risk assessment.

WHISTLEBLOWING POLICY AND SYSTEM

Egmont has a whistleblowing policy which can be accessed online by employees in Egmont and by external parties (via Egmont.com). In 2023, only one whistleblower report was submitted in Egmont's whistleblowing system. No compliance issues were identified and the matter has been closed.

DATA PROTECTION, ETHICS AND SECURITY

Egmont has implemented a group-wide, general framework for ongoing GDPR compliance, and its businesses continue to actively implement GDPR compliance into the way they work.

Egmont also has a group-wide Information Security Policy, and all employees are educated in general information security on an annual basis. Finally, Egmont has introduced a policy on data ethics to ensure that Egmont companies manage data in an ethical way. The principles in the policy are universal and relevant across Egmont but currently it only applies directly to all 100% owned Danish companies.

EGMONT SOCIAL COMPLIANCE

Egmont's approach to social compliance is guided by Egmont's Supplier Code of Conduct that is aligned with UN Global Compact's ten principles and covers topics related to human rights, labour rights, environment and anti-corruption. The Supplier Code of Conduct sets out our minimum requirements on responsible business practices for our business partners and suppliers, while the Egmont Social Compliance Programme defines processes and

practices on how to ensure compliance and how to mitigate non-compliance issues at our direct suppliers and selected sub-suppliers. During 2023, Egmont continued to monitor its manufacturers' social compliance level via social audits, and on-going dialogue to remedy audit findings. During 2023, Egmont has evaluated 197 social audit reports and self-assessment questionnaires.

EMPLOYEE ENGAGEMENT

Egmont's leaders are vital to the well-being and development of its people, and it is crucial for Egmont's continued success that its leaders understand how to guide their employees through the rapid changes in business models. Therefore, Egmont continues to invest in leadership training, which aims at unfolding Egmont's strategy in a set of key leadership principles. By the end of 2023, a total of 822 leaders from across the businesses have completed the 'Committed to Lead' programmes during a period of seven years and more leaders are lined up for the programmes in 2024. Egmont's engagement remains at a high level, both in terms of participation rate in surveys (87%) and the overall engagement level (8.0 on a 10-point scale) according to the latest survey in September 2023.

GENDER COMPOSITION IN MANAGEMENT

In accordance with section 99b of the Danish Financial Statements Act, Egmont Fonden has set targets for gender composition in the board of directors. The target for the board of directors of at least 2 female board members out of 6 (33.3%) was met in 2023. As that constitutes equal representation under Danish law, no new target has been set. Egmont Fonden is not required to set targets for gender composition in other management levels, cf. section 99b(4), of the Danish Financial Statements Act. Other management levels consist of Management Board and one people manager employed by Egmont Fonden, in total 3 persons. The underrepresented gender constitutes 33.3%.

In 2023, Egmont Fonden set the target that by 2028 no gender is underrepresented in the other management levels below the board of directors irrespective of employer (legal entity). The Management Board has established a Corporate Management Board, which undertakes the day- to -day management. The Corporate Management Board consists of 14 members including the members of the Management Board. The Corporate Management Board has a gender split of nine men and five women, where the underrepresented gender constitutes 35.7%.

Outlook for 2024

2024 is a very unpredictable year with much uncertainty on macro level and low consumer confidence. Further, both inflation and prices for raw materials is increasing. Egmont is overall expecting the same activity level (revenue) and a slight decrease in EBT compared to 2023.

Egmont will carry on developing media platforms, continuously adapting its media products to changing consumer needs and new technology and run profitability programmes and efficiency-enhancing measures. The greatest uncertainty is associated with advertising revenue, which is sensitive to economic fluctuations and changes in consumer habits, development in circulation of magazines and consumer demands that impacts sales in especially the e-commerce business.

Foundation and Corporate Governance

Based on the legal requirements in Egmont Fonden's charter as well as the most recent recommendations from the Committee on Foundation Governance and the Committee on Corporate Governance, the board of directors and the management board have established the governance framework for Egmont.

In general, Egmont Fonden adheres to the Danish Recommendations on Foundation Governance and complies with most of the recommendations. Egmont Fonden's Statutory Report on Foundation Governance for the financial year 2023 can be reviewed and downloaded at: www.egmont.com/foundationgovernance. The report includes a full description of Egmont's approach to each of the recommendations from the Committee on Foundation Governance.

The Board of Directors has also prepared a Report on Corporate Governance for the financial year 2023 based on the Recommendations on Corporate Governance. The report can be reviewed and downloaded at: www.egmont.com/corporategovernance.

DISTRIBUTION POLICY

The Board of Directors has set the framework for distributing donations in the charitable strategy for 2022-2025. During the year, the Grants Secretariat presented individual proposals for donations to be distributed within that framework to the Board of Directors.

Egmont Fonden's Statutory Report on Distribution Policy, cf. section 77b of the Danish Financial Statements Act, can be reviewed and downloaded at: www.egmont.com/distributionpolicy.

ORGANISATION

At the annual meeting in March 2023, Lars-Johan Jarnheimer resigned from the board and Rebekka Glasser Herlofsen was appointed to the board for a four-year period. Merete Eldrup was appointed Chair of the board and Per Bank Vice Chair. In June 2023, Per Bank resigned from the board, and Tom Knutzen was appointed to the board for a four-year period and also appointed Vice Chair of the board.

In January 2023, elections were held for employee representatives to the board and the employees elected Anna von Lowzow (re-election), Peder Høgild (re-election) and Jesper Lyders Andersen (newly elected) as employee representatives. They were all elected for a four-year period starting March 2023.

Egmont Fonden's charter requires that the board members elected on the basis of the charter have relevant skills to manage the commercial and charitable activities carried out by the foundation. The board members must also have sufficient understanding of the main markets in Scandinavia. Board members must collectively have relevant experience from both foundation and business activities as well as management of companies. At least three board members must have significant commercial experience from longstanding management positions or similar positions in society in Scandinavia, and at least two of these members must have obtained the experience in one or more companies or institutions in Denmark. In that connection, the board has assessed that its members must collectively have relevant experience from and with international business and management, finance and reporting, enterprise foundations, digital business and marketplaces, mergers & acquisitions, media, strategy design and implementation, growth markets, ESG, digital transformation and performance management.

In 2023, the Board of Directors established an Audit Committee.

BOARD OF DIRECTORS AND MANAGEMENT BOARD OF EGMONT FONDEN

Merete Eldrup (Chair)[2356]
Director, born 1963, appointed 2020, election period expires 2024
Member of the board of Egmont International Holding A/S, University of Copenhagen (C), Nykredit Realkredit A/S (C), Nykredit Holding A/S (C), Kalaallit Airports International and Molslinjen A/S.

Special competences: media, finance, strategy, management

Participated in 7 out of 7 board meetings.

Tom Knutzen (Vice Chair)[13567]
Professional board member, born 1962, appointed 2023, election period expires 2027
Member of the boards of Egmont International Holding A/S, FLSmidth & Co. A/S (C), Tivoli A/S (C), Jeudan A/S (VC), Givaudan S.A., Switzerland and Jungbunzlauer Holding AG, Switzerland,

Special competences: management, international business, innovation, finance, M&A and strategy

Participated in 4 out of 4 board meetings.

Dr. Martin Enderle[135]
Born 1965, appointed 2014, election period expires 2026
Member of the boards of Egmont International Holding A/S, Delivery Hero SE (C), Germany; Chrono24 GmbH, Germany; Senior Advisor to atHome Group, Luxembourg and McKinsey & Co.

Special competences: international management experience, growth markets, digital marketplaces, classifieds, food delivery, mergers & acquisitions, venture capital, strategy implementation

Participated in 7 out of 7 board meetings.

Josh Bottomley[135]
CEO, dunnhumby, UK, born 1967, appointed 2017, election period expires 2025
Member of the board of Egmont International Holding A/S

Special competences: international business and management experience, digital transformation, strategy design and implementation

Participated in 6 out of 7 board meetings.

Christian Wegner[135]
CEO, Südwestdeutsche Medienholding (SWMH), Germany, born 1974, appointed 2017, election period expires 2025
Member of the board of Egmont International Holding A/S

Special competences: international business and management experience, performance management, portfolio management, strategy and execution, digital transformation, growth markets, M&A, venture capital

Participated in 7 out of 7 board meetings.

Rebekka Glasser Herlofsen[2357]
Independent consultant, investor and professional board member, born 1970, appointed 2023, election period expires 2027
Member of the board Egmont International Holding A/S, Norwegian Hull Club, Norway (C), Handelsbanken Norge, Norway (C), DNV Council, Norway (C), Wilh. Wilhelmsen Holding ASA, Norway, Equinor ASA, Norway, BW Offshore ASA, Norway, Torvald Klaveness Group AS, Norway, Rockwool A/S, Denmark.

Special competences: financial expert and board certified within ESG.

Participated in 4 out of 5 board meetings.

Peder Høgild [1,4]
Media operator, Nordisk Film Biografer, born 1958, elected 2019, election period expires 2027

Participated in 6 out of 7 board meetings.

Jesper Lyders Andersen [1,4]
Editor in chief, Praxis A/S, born 1986, elected 2023, election period expires 2027

Participated in 5 out of 5 board meetings.

Anna von Lowzow [2,4]
Journalist and director, Nordisk Film Production A/S, born 1961, elected 2016, election period expires 2027

Participated in 7 out of 7 board meetings.

Management Board

Steffen Kragh
President and CEO, born 1964
Member of the boards of Lundbeckfonden (C), Lundbeckfond Invest A/S (C), Tryg A/S (VC), Tryg Forsikring A/S (VC)
Chair, Vice Chair or member of boards of Egmont Group companies

Hans J. Carstensen
Executive Vice President and CFO, born 1965
Member of the board of Statens Ejendomssalg A/S (Freja Ejendomme A/S) (C)
Chair, Vice Chair or member of boards of Egmont Group companies

All information as of 6 March 2024.

C: Chair
VC: Vice Chair

None of the board members own shares, options, warrants or similar in the foundation's subsidiaries, joint ventures and associated companies.

No members are appointed by authorities or providers of grants etc.

[1] Male
[2] Female
[3] Independent board member
[4] Employee representative, commercial activities
[5] General and charitable activities
[6] Funding and Grant Committee
[7] Audit Committee

Income Statement of the Group

(EURk)

Note		2023	2022
2	Revenue	2,376,804	2,303,063
3	Other operating income	24,768	29,779
	Raw materials and consumables	(785,926)	(697,380)
	Other external expenses	(788,597)	(873,382)
4	Personnel expenses	(536,801)	(501,842)
5	Depreciation, amortisation and impairment losses	(199,817)	(174,803)
	Other operating expenses	(6,313)	(6,410)
14	Profit/(loss) after tax from investments in joint ventures	75	2,121
	Operating profit	**84,193**	**81,146**
15	Profit/(loss) after tax from investments in associates	1,665	434
6	Net financial income/(expense) from operation	(6,618)	1,326
	Adjusted operating profit	**79,240**	**82,906**
7	Financial income	2,232	85
8	Financial expenses	(31,091)	(15,859)
	Profit before tax	**50,381**	**67,132**
9	Tax on profit for the year	(8,774)	(5,537)
	Net profit for the year	**41,607**	**61,595**
	Net profit for the year attributable to:		
	Egmont Fonden	38,245	60,162
	Non-controlling interests	3,362	1,433
	Total	**41,607**	**61,595**

Statement of Comprehensive Income of the Group

(EURk)

Note		2023	2022
	Profit for the year	41,607	61,595
	Items that will not be reclassified to the income statement in subsequent periods:		
	Actuarial gains/(losses) on defined benefit pension plans	(1,037)	712
	Other equity transactions in joint ventures and associates	(2,840)	1,742
	Tax on items that will not be reclassified to the income statement in subsequent periods	475	(157)
		(3,402)	**2,297**
	Items to be reclassified to the income statement in subsequent periods:		
	Foreign exchange adjustments on translation to presentation currency	(2,851)	(121)
	Foreign exchange adjustments on translation of foreign entities	(48,127)	(63,655)
20	Net value adjustment of hedging instruments	15,627	34,163
	Tax on items to be reclassified to the income statement in subsequent periods	(3,069)	(6,784)
		(38,420)	**(36,397)**
21	**Other comprehensive income after tax**	**(41,822)**	**(34,100)**
	Total comprehensive income	**(215)**	**27,495**
	Total comprehensive income attributable to:		
	Egmont Fonden	(3,600)	26,428
	Non-controlling interests	3,385	1,067
	Total	**(215)**	**27,495**

Statement of Financial Position of the Group at 31 December

(EURk)

Note	Assets	2023	2022
	Film rights and other acquired rights	121,398	125,247
	In-house produced rights	45,048	71,942
	Goodwill	784,462	807,283
	Trademarks	190,364	200,348
	Intangible assets in progress and prepayments for film rights	24,398	28,579
10	**Intangible assets**	**1,165,670**	**1,233,399**
	Land and buildings	115,980	121,474
	Plant and machinery	26,316	28,973
	Tools and equipment	18,411	22,090
	Leasehold improvements	10,714	10,190
	Property, plant and equipment under construction	3,234	2,763
11	**Property, plant and equipment**	**174,655**	**185,490**
12	**Investment properties**	**45,066**	**45,003**
13	**Lease assets**	**143,668**	**154,440**
14	Investments in joint ventures	28,624	36,724
15	Investments in associates	115,527	118,888
	Other investments	5,366	7,137
28	Receivables from joint ventures and associates	3,711	1,684
23	Deferred tax	11,101	5,284
	Other non-current assets	**164,329**	**169,717**
	Total non-current assets	**1,693,388**	**1,788,049**
16	**Inventories**	**192,497**	**202,381**
27	Trade receivables	265,661	245,946
28	Receivables from joint ventures and associates	1,265	2,851
	Other receivables	96,866	101,669
17	Prepayments	157,099	146,199
	Receivables	**520,891**	**496,665**
18	**Cash and cash equivalents**	**44,902**	**58,062**
	Total current assets	**758,290**	**757,108**
	TOTAL ASSETS	**2,451,678**	**2,545,157**

Statement of Financial Position of the Group at 31 December (EURk) (Continued)

Note	Equity and liabilities	2023	2022
	Capital fund	29,519	29,583
	Retained earnings and other reserves	1,045,935	1,052,263
	Egmont Fonden's share of equity	**1,075,454**	**1,081,846**
	Non-controlling interests	7,274	15,016
19	**Equity**	**1,082,728**	**1,096,862**
22	Pension obligations and similar obligations	1,473	2,234
23	Deferred tax	39,663	34,954
24	Other provisions	18,584	39,920
27	Mortgage debt	111,040	111,285
27	Other credit institutions	162,852	236,298
27	Lease liabilities	138,840	153,869
	Other payables	18,870	25,149
29	Deferred income	6,881	5,308
	Non-current liabilities	**498,203**	**609,017**
27	Other credit institutions	48,709	17,183
27	Lease liabilities	37,604	35,988
	Prepayments from customers	51,151	49,735
27	Trade payables	307,068	302,918
27,28	Payables to joint ventures and associates	375	191
	Corporate income tax	2,506	11,866
	Other payables	230,808	206,650
24	Other provisions	99,556	102,347
29	Deferred income	92,970	112,400
	Current liabilities	**870,747**	**839,278**
	Total liabilities	**1,368,950**	**1,448,295**
	TOTAL EQUITY AND LIABILITIES	**2,451,678**	**2,545,157**

Cash Flow Statement of the Group

(EURk)

Note		2023	2022
	Operating profit	84,193	81,146
	Adjustment for non-cash operating items, etc.:		
	Other non-cash operating items, net	(17,049)	(13,688)
5	Depreciation, amortisation and impairment losses	199,817	174,803
	Profit/(loss) after tax from investments in joint ventures	(75)	(2,121)
	Provisions	(19,494)	(1,899)
	Cash generated from operations before change in working capital	**247,392**	**238,241**
	Change in inventories	6,324	(9,820)
	Change in receivables	(37,643)	57,558
	Change in trade payables and other payables	52,933	(67,697)
	Change in working capital	**21,614**	**(19,959)**
	Cash generated from operations	**269,007**	**218,282**
	Interest received	2,232	1,609
	Interest paid	(18,985)	(10,793)
	Interest expense, lease liabilities	(8,006)	(8,219)
	Corporate income tax paid	(17,536)	(25,880)
	Cash flows from operating activities	**226,712**	**174,999**
	Acquisition of intangible assets	(121,544)	(123,491)
	Acquisition of property, plant and equipment	(14,877)	(33,287)
	Disposal of property, plant and equipment	1,081	2,304
	Acquisition of financial assets	(579)	(4,883)
	Disposal of financial assets	138	6,674
32	Acquisition of subsidiaries	(3,777)	(124,287)
	Cash flows from investing activities	**(139,558)**	**(276,970)**
	Acquisitions of non-controlling interests	(1,782)	(30,466)
	Disposal of non-controlling interests	0	1,356
27	Borrowing from credit institutions, etc.	32,986	178,264
27	Repayments to credit institutions, etc.	(72,934)	(7,788)
27	Instalments on lease liabilities	(36,494)	(33,019)
	Dividends from joint ventures and associated companies	3,919	5,374
	Dividends to non-controlling shareholders	(1,434)	(2,684)
	Donations	(14,853)	(13,221)
	Cash flows from financing activities	**(90,592)**	**97,816**
	Net cash flows from operating, investing and financing activities	**(3,439)**	**(4,155)**
	Cash and cash equivalents at 1 January	55,526	62,418
	Foreign exchange adjustment of cash and cash equivalents	(9,818)	(2,737)
18	**Cash and cash equivalents at 31 December**	**42,269**	**55,526**

The cash flow statement cannot be derived directly from the balance sheet and income statement.

Statement of Changes in Equity of the Group

(EURk)

Note		Capital fund	Reserve for hedging transactions	Reserve for foreign exchange adjustments	Retained earnings	Non-controlling interests	Total equity
	Equity at 1 January 2023	**29,583**	**(6,924)**	**(224,309)**	**1,283,496**	**15,016**	**1,096,862**
	Net profit for the year	0	0	0	38,245	3,362	41,607
21	Other comprehensive income	(64)	12,946	(48,582)	(6,145)	22	(41,822)
	Total comprehensive income in 2023	**(64)**	**12,946**	**(48,582)**	**32,100**	**3,385**	**(215)**
	Used for charitable purposes and associated costs	0	0	0	(14,853)	0	(14,853)
	Acquisition/disposal, non-controlling interests	0	0	0	11,657	(9,693)	1,964
	Dividends, non-controlling interests	0	0	0	0	(1,434)	(1,434)
	Share-based payment	0	0	0	404	0	404
	Equity at 31 December 2023	**29,519**	**6,022**	**(272,891)**	**1,312,804**	**7,274**	**1,082,728**
	Equity at 1 January 2022	**29,583**	**(35,728)**	**(159,598)**	**1,249,665**	**13,728**	**1,097,650**
1	Effect of change in accounting principles	0	0	0	(2,627)	0	(2,627)
	Equity at 1 January 2022 (restated)	**29,583**	**(35,728)**	**(159,598)**	**1,247,038**	**13,728**	**1,095,023**
	Net profit for the year	0	0	0	60,162	1,433	61,595
21	Other comprehensive income		28,804	(64,711)	2,173	(366)	(34,100)
	Total comprehensive income in 2022	**0**	**28,804**	**(64,711)**	**62,335**	**1,067**	**27,495**
	Used for charitable purposes and associated costs	0	0	0	(13,221)	0	(13,221)
	Acquisition/disposal, non-controlling interests	0	0	0	(13,080)	2,905	(10,175)
	Dividends, non-controlling interests	0	0	0	0	(2,684)	(2,684)
	Share-based payment	0	0	0	424	0	424
	Equity at 31 December 2022	**29,583**	**(6,924)**	**(224,309)**	**1,283,496**	**15,016**	**1,096,862**

List of Notes to the Consolidated Financial Statements

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1 Accounting policies

The annual report of Egmont Fonden for 2023 comprises both the consolidated financial statements of Egmont Fonden and its subsidiaries (the Group) and the separate financial statements of Egmont Fonden.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and additional requirements in the Danish Financial Statements Act.

The separate financial statements of Egmont Fonden have been prepared in accordance with the Danish Financial Statements Act and the financial reporting requirements of the Foundation's Charter (the Foundation's financial statements).

BASIS OF PREPARATION

The functional currency of Egmont Fonden is Danish kroner (DKK). The consolidated financial statements are presented in euro (EUR) as the Group's activities are mainly located in European Contries. All values are presented to nearest EUR thousands, except otherwise stated.

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments, securities and investment properties (which are measured at fair value).

The accounting policies have been applied consistently to the financial year and to the comparative figures for 2022 apart from the following:

Change in accounting policies relating to revenue recognition of gift cards

The recognition of gift cards not expected to be redeemed (breakage), has been changed from a recognition at the time of sale to a recognition that follows the redemption pattern over time. The change has impacted equity at 1 January 2022 with -2.6 million, deferred income with +3.3 million and deferred tax liability by -0.7 million. The impact on profit and loss for 2023 is -0.4 million (2022: 0).

Presentation of Profit and loss

A new subtotal "Adjusted operating profit" has been introduced to better reflect the result of underlying operations before financial income and expense. The subtotal is the net result of operating profit inclusive financial income and expense from operation (including fair value adjustments of hedging activities) and results from investments in associated companies. The change in presentation has been adjusted retrospectively for 2022 with no impact on the Group's operating profit, profit before tax, net profit for the year nor equity.

Reclassifications in the profit and loss statement

The classification of sales related costs for a few companies have been changed from other external expenses to raw materials and consumables. Comparative figures for 2022 have been adjusted resulting in an increase of raw materials and consumables of EUR 299.5 million and a corresponding decrease of other external expenses. This change does not impact other key figures nor financial ratios.

Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment, positively or negatively, to the carrying amount of assets or liabilities affected in future periods.

The most significant estimates and judgements for the Group include the following:

- Provisions for onerous contracts relating to binding content supply contracts, which is based on an assessment of the future income and unavoidable costs over the contract periods. Please refer to note 24 for further information.

- Impairment testing related to intangible assets, including asset groups with indefinite life such as

goodwill and the TV2 trademark as well as investment in associates. Outcome of impairment testing is dependent on the critical assumptions applied related to cash flow forecasts, which are affected by the increased macroeconomic uncertainties such as increased inflation rates and changed consumer confidence, but also other factors such as discount rates and expected growth rates, please refer to. note 10 for further information.

- For film rights and in-house produced rights estimates on the useful lives and period over which the rights are amortised are based on estimated sales, which by nature are associated with uncertainty. Please refer to note 10 for further information.

- Write down of inventories to net realisable values relates to books and E-commerce. Estimated write-downs are dependent on expected future sales that by nature within consumer products and the business areas of Egmont are subject to some uncertainty. Please refer to note 16 for further information.

- Other provisions include items such as goods sold with a right of return, warranty provisions and provisions for litigation and claims include estimates and judgements related to how many goods are expected to be returned or exchanged, to what extent warranties compensations are needed and probabilities of various likely outcome of litigation and claims. Please refer to note 24 for further information.

- Deferred taxes are subject to some judgements related to whether tax assets may be utilised. Please refer to note 23 for further information.

- Acquisition of businesses where a number of estimates and judgments are carried out related to allocation of the purchase consideration to identifiable net assets including intangible assets/goodwill as well as value adjustments (step-up acquisitions). Please refer to note 32 for further information.

Consolidated financial statements

The consolidated financial statements comprise Egmont Fonden and subsidiaries in which Egmont Fonden has control of financial and operating policies in order to obtain returns or other benefits from its activities. Control is usually obtained when the Group holds more than 50 % of the voting rights, whether directly or indirectly, or otherwise has a controlling interest in the relevant entity.

Entities in which the Group has significant influence, but not a controlling interest, are considered associates. Significant influence is typically obtained when the Group, directly or indirectly, owns or holds more than 20 % of the voting rights, but less than 50 %.

When assessing whether Egmont Fonden exercises control or significant influence, the potential voting rights that are exercisable at the end of the reporting period are taken into account.

The consolidated financial statements have been prepared by consolidating the financial statements from Egmont Fonden and the individual subsidiaries, prepared in accordance with the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on transactions between the consolidated entities are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's ownership share of the associate. Unrealised losses are eliminated in the same way as unrealised gains to the extent that impairment has not taken place.

The non-controlling interests' shares of the profit for the year, comprehensive income and of the equity of subsidiaries not wholly owned are included in the Group's net profit for the year, comprehensive income and equity, respectively, but are disclosed separately.

Business combinations

Businesses acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Businesses disposed of or wound up

1 Accounting policies (continued)

are recognised in the consolidated financial statements until the date of disposal or winding-up. The comparative figures are not restated for newly acquired businesses. Discontinued operations are disclosed separately.

The acquisition method is used for acquisitions of new businesses over which Egmont Fonden obtains control. The acquired businesses' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax is recognised in respect of the fair value adjustments made.

The acquisition date is the date when Egmont Fonden effectively obtains control of the acquired business. Costs attributable to business combinations are expensed as incurred.

Step acquisitions, where either control, joint control or significant influence is obtained, the existing equity interest is remeasured at fair value and the difference between the fair value and carrying amount is recognised in the income statement. The additional equity investments acquired are recognised at fair value in the balance sheet.

Any excess (goodwill) of the consideration transferred, the value of non-controlling interests in the acquired entity and the fair value of any existing equity interest over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill under intangible assets.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for the impairment test at least annually.

Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with another functional currency than the presentation currency of Egmont Fonden are treated as assets and liabilities belonging to the foreign entity and upon initial recognition translated into the foreign entity's functional currency at the exchange rate at the transaction date.

Negative differences (negative goodwill) are recognised in profit for the year at the acquisition date.

The consideration for an acquired business consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed conditions, this part of the consideration is recognised at fair value at the date of acquisition.

If uncertainties regarding the identification or measurement of acquired assets, liabilities or contingent liabilities or determination of the consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. If it subsequently becomes apparent that the identification or measurement of the consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the determination is adjusted retrospectively, including goodwill, until 12 months after the acquisition, and the comparative figures are restated. Subsequently, goodwill is not adjusted. Changes to estimates of contingent considerations are recognised in the income statement.

The acquisition of further non-controlling interests after obtaining control is considered an owner's transaction, and the difference between acquisition cost and the share of such non-controlling interests acquired is recognised directly in equity.

Gains or losses on the disposal or winding-up of subsidiaries, jointly controlled entities and associates are stated as the difference between the selling price or the disposal consideration and the carrying amount of net assets, including goodwill, at the date of disposal, less the cost of disposal. If the disposal of either control, joint control or significant influence takes place in stages, the retained equity investment is measured at fair value, and the difference between the fair value and carrying amount is recognised in the income statement.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the ownership share or at the proportionate share of the fair value of the acquired business' identifiable assets, liabilities and contingent liabilities. In the first scenario, goodwill in relation to the

1 Accounting policies (continued)

non-controlling interests' ownership share of the acquired business is thus recognised, while, in the latter scenario, goodwill in relation to the non-controlling interests is not recognised.

The measurement of non-controlling interests is chosen transaction by transaction and stated in the notes in connection with the description of acquired businesses.

Foreign currency translation

A functional currency is determined for each of the reporting entities in the Group. The functional currency is the currency used in the primary economic environment in which the individual reporting entity operates. Transactions denominated in currencies other than the functional currency are considered foreign currency transactions.

On initial recognition, foreign currency transactions are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rates at the end of the reporting period. The difference between the exchange rates at the end of the reporting period and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

In the consolidated financial statements, the income statements of entities, joint ventures and associates with another functional currency than the presentation currency (EUR) are translated at the exchange rates at the transaction date, and the balance sheet items are translated at the exchange rates at the end of the reporting period. An average exchange rate for each month is used as the transaction date exchange rate to the extent that this does not significantly distort the presentation of the underlying transactions. Foreign exchange differences arising on translation of the opening balance of equity of such foreign entities at the exchange rates at the end of the reporting period and on translation of the income statements from the exchange rates at the transaction date to the exchange rates at the end of the reporting period are recognised directly in other comprehensive income and presented in equity under a separate translation reserve. The exchange rate adjustment is allocated between Egmont Fonden and the non-controlling interests.

Foreign exchange adjustments of intra-group balances which are considered part of the total net investment in foreign entities with another functional currency than the presentation currency (EUR) are recognised in other comprehensive income and presented in equity under a separate translation reserve.

On disposal of wholly owned foreign entities, associates or jointly controlled entities with another functional currency than the presentation currency (EUR), the exchange rate adjustments that have been recognised in other comprehensive income and are attributable to the entity are reclassified from other comprehensive income to the income statement together with any gains or losses from the disposal.

On partial disposal of foreign subsidiaries with another functional currency than the presentation currency (EUR) without a loss of control, a proportionate share of the translation reserve is transferred from the Group to the non-controlling interests' share of equity.

On partial disposal of associates and jointly controlled entities, the proportionate share of the accumulated translation reserve recognised in other comprehensive income is transferred to the income statement for the year together with any gains or losses from the disposal.

Any repayment of intra-group balances which constitute part of the net investment in the foreign entity is not considered a partial disposal of that subsidiary.

1 Accounting policies (continued)

Derivative financial instruments

Derivative financial instruments are recognised at the date a derivative contract is entered into and measured in the balance sheet at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively, and a set-off of positive and negative values is only made when the entity has the right and the intention to settle several financial instruments net. Fair values of derivative financial instruments are computed on the basis of current market data and generally accepted valuation methods.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the value of the hedged asset or liability as far as the hedged portion is concerned.

Changes in the portion of the fair value of derivative financial instruments designated as and qualifying as a cash flow hedge that is an effective hedge of changes in future cash flows are recognised in other comprehensive income in equity under a separate hedging reserve until the hedged cash flows affect the income statement. At that time, any gains or losses resulting from such hedged transactions are transferred to other comprehensive income and recognised under the same item as the hedged item.

If the hedging instrument no longer qualifies for hedge accounting, the hedge will cease to be effective. The accumulated change in value recognised in other comprehensive income is transferred to the income statement when the hedged cash flows affect the income statement. If the hedged cash flows are no longer expected to be realised, the accumulated change in value will be transferred to the income statement immediately. The portion of a derivative financial instrument not included in a hedge is recognised under financial items.

For derivative financial instruments that do not qualify for treatment as hedging instruments and changes in fair value are currently recognised in the income statement under financial items.

INCOME STATEMENT

Revenue

Egmont recognises revenue from the following significant revenue streams:

- Sale of goods and services
- Magazine sales
- TV and film production
- TV and cable broadcasting distribution
- Advertising
- Gaming
- Subscription based revenue

Egmont separates customer contracts into performance obligations and recognises revenue from these separately. For customer contracts that includes more than one performance obligation, Egmont allocates the transaction price to the individual performance obligations proportionate to their stand-alone selling price.

The Group recognises revenue when or as control passes to the customer. Revenue is measured at its transaction price, which comprise net present value when payments exceed 12 months.

Revenue is measured excluding VAT and taxes and including all types of discounts provided to customers.

All types of variable consideration such as rebates, return rights or penalties etc. are reconised as revenue only to the extent that it is highly probable that a significant reversal will not occur subsequently. When the customer holds a right to return the good, Egmont estimate the expected number of goods that will be returned based on historical return and postpone recognition of such revenue. Return and warranty policies are typically based on customary return arrangements in local markets.

Warranty provisions are recognised as the underlying goods are sold based on historical warranty costs experience in previous financial years.

Generally, payment terms are based on customary terms in local markets.

1 Accounting policies (continued)

Revenue from sale of goods and services
Revenue from sale of goods comprise sale of playstation products, sale from e-commerce, etc. are recognised at point in time when control is transferred, usually when the goods are delivered. Sale of gift cards are initially recognised as deferred income and subsequently recognised as revenue over the redemption period, including the expected amount of not redeemed gift cards (breakage).

Revenue from sale of cinema tickets is recognised as the services are rendered.

When consideration is received before control is transferred it is recognised as a contract liability and presented as deferred income. Deferred income relating to gift cards is assessed for gift cards which are not expected to be redeemed (breakage). Breakage is recognized over the redemption period based on expectations of how many gift cards that will not be redeemed.

Revenue from magazine sales
Egmont recognises revenue from sale of magazines, both subscription and single-copy sales, and ads related to magazines at the publication date of the magazine, which is considered a point in time.

Magazine subscriptions are considered as a number of discrete performance obligations which are satisfied over the course of the subscription period as magazines are published.

For circulation sales, where customer's holds a right of return, Egmont only recognises revenue from the sale of magazines to the extent that it is highly probable that a subsequent reversal will not occur.

Revenue from TV and film production
Revenues from sale of TV and film productions to TV stations (availability rights) and distribution companies is recognised at point in time, on the availability date, when it becomes available (accessible) to the customer.

Consideration received for TV and film productions before the availability date is a contract liability and is presented in the balance sheet as deferred income. Deferred income is measured at fair value.

TV and cable distribution
Revenue from TV and cable distribution (cable fee) is based on number of subscribers and is recognised on straight-line basis over the period of the relevant agreements. The number of subscribers is based on reports received from the distribution companies.

Revenue from advertising
Revenue from advertising is recognised when the adverts are broadcasted on TV or in the Cinema.

If the transaction price is variable based on the number of viewers, Egmont constrains revenue to the extent that it is highly probable that a significant reversal will not occur subsequently.

Gaming revenue
Gaming revenue include revenue derived from work for hire contracts (fixed hourly rate) and self-published games.

Gaming work for hire
Gaming work for hire contracts usually comprise one performance obligation that is satisfied over time as Egmont delivers hours at a fixed hourly rate, thus having a right to consideration that corresponds directly with the value transferred to the customer to date. Revenue deriving from work for hire is recognised at the amount that Egmont has a right to invoice.

Self-published games
Revenue from self-published games without no future material free content communicated at time of release, is recognised at the time of delivery to the customer (download).

When Egmont promises to deliver future material free content, the customer contract includes an additional performance obligation. Egmont allocates the transaction price in such arrangements by determining the stand-alone selling price of the performance obligations that is recognised upon release.

Subscription based revenue
Subscription based revenue primarily comprise TV2 Play and educational platforms in Books. Subscription based revenue

1 Accounting policies (continued)

comprise one performance obligation that is satisfied over the subscription period, thus having a right to consideration that corresponds directly with the value transferred to the customer to date. Prepaid subscriptions for a certain subscription period are recognised as deferred income and disclosed as contract liabilities.

Other operating income and costs

Other operating income and costs comprise items secondary to the principal activities of the entities, including gains and losses on the disposal of businesses (including re-measuring of existing shares in step-acquisitions), intangible assets and property, plant and equipment and right-of-use assets, as well as recognition of badwill, value adjustments of investment properties at fair value and fair value adjustments of contingent consideration. Gains and losses on the disposal of entities, intangible assets and property, plant and equipment are determined as the selling price less disposal costs and the carrying amount at the date of disposal.

Gains and losses from re-measuring existing shares in step-acquisitions are determined as the fair value of new shares acquired, adjusted for control premium less the carrying value of those shares prior to the step-acquisitions.

Government grants

Government grants from film and ticket subsidies for in-house produced films are recognised when there is reasonable assurance that they will be received. Film subsidies for in-house produced films recognised in the balance sheet are offset against the cost of in-house produced films. Ticket subsidies are recognised in the income statement under other operating income.

TV 2, Norway has a public service broadcasting agreement with the Norwegian state, which compensates TV 2 for additional cost regarding production of Norwegian news, film and TV content for 11.8 million in 2023 (2022: 13.4 million). Compensation under the agreement with the Norwegian state is recognised in the income statement as a reduction of the related expenses.

Due to Covid-19 Egmont is entitled to governments grants. These are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be compiled with. Government grants from Covid-19 relief packages are recognised in the income statement as other operating income. There are no unfulfilled conditions or other contingencies attached to the received subsidies.

Share of results from investments in joint ventures and associates

The proportionate share of the joint ventures' and associates results after tax and non-controlling interests and after elimination of the proportionate share of intra-group gains/losses is recognised in the consolidated income statement.

Financial income and expense from operation

Financial income and expense from operation comprise gains and losses on securities, amortisation of financial assets and liabilities and foreign exchange adjustments. Furthermore, changes in the fair value of derivative financial instruments regarding foreign currency contracts, which are not designated as hedging instruments as well as the ineffective portion of the hedges are also included.

Financial income and expenses

Financial income and expenses comprise interest income and expense, including interest expense on leases. Furthermore, changes in the fair value derivative financial instruments regarding virtual power purchase agreements and interest rate swaps, which are not designated as hedging instruments as well as the ineffective portion of the hedges are also included.

Borrowing costs relating to general borrowing or loans directly relating to the acquisition, construction or development of qualifying assets are allocated to the cost of such assets.

Tax for the year

Tax for the year, comprises current tax and changes in deferred tax.

1 Accounting policies (continued)

BALANCE SHEET

Film rights and other acquired rights
Film rights comprise film, transactional home entertainment (DVD, TVOD, streaming) and TV rights. Film rights are recognised as an intangible asset at the time when control over the asset is transferred. Prepayments for film rights are recognised in the balance sheet as a prepayment for intangible assets, and when control is gained over the assets, prepayments are reclassified to film rights.

Film rights are measured at cost which is allocated proportionally to the cinema, transactional home entertainment and TV media, as well as to markets. Film rights are amortised over the period during which they are expected to generate income on the respective market and in the respective media.

Other intellectual property rights with a definite useful life, such as domain names and magazine titles, are measured at cost on initial recognition and amortised on a straight-line basis over the useful life (typically 5 to 10 years).

In-house produced rights
In-house produced rights, which comprise film and games are measured at cost, which includes indirect production costs, less grants received, accumulated amortisation and impairment, or at the recoverable amount where this is lower.

In-house produced rights are amortised over the period during which they are expected to generate income.

Goodwill
On initial recognition, goodwill is recognised in the balance sheet at cost as described under "Business combinations". Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised, but is subject to an annual impairment test.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the date of acquisition. The identification of cash-generating units is based on the management structure and internal financial control.

Trademarks
Acquired intellectual property rights, including trademarks, are measured at cost on initial recognition. Trademarks with a finite useful life are typically amortised on a straight-line basis over the useful life (typically 5 to 20 years).

Trademarks with an indefinite useful life are not amortised but are tested for impairment at least once annually.

Intangible assets in progress
Intangible assets in progress are measured at cost and consist mainly of prepaid film rights.

Property, plant and equipment
Land and buildings, plant and machinery equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Subsequent costs, e.g. in connection with replacing components of property, plant and equipment, are recognised in the carrying amount of the relevant asset if it is probable that the costs will result in future economic benefits for the Group. The replaced components are derecognised in the balance sheet, and the carrying amount is transferred to the income statement. All other costs incurred for ordinary repairs and maintenance are recognised in the income statement as incurred.

When individual components of an item of property, plant and equipment have different useful lives, the cost of such individual components is accounted for and depreciated separately. Depreciation is provided on a straight-line basis

1 Accounting policies (continued)

over the expected useful lives, based on the following estimates of the useful lives of the assets:

Corporate properties (head offices)	25 - 50 years
Properties used for operational purposes	25 years
Installations and conversions *(the useful life depends on the nature of conversion)*	10, 15, 25 years
Plant and machinery	3 - 15 years
Equipment	3 - 5 years
Leasehold improvements	5 - 10 years

Land is not depreciated.

Depreciation is made on the basis of the asset's residual value less any impairment losses. The residual value and useful life of the assets are reassessed every year. If the residual value exceeds the carrying amount, depreciation is discontinued.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less disposal costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement under other operating income or other operating costs, respectively.

Investment properties

Investment properties are held for the purpose of obtaining rental income and/or capital gains. On initial recognition, investment properties are measured at cost, consisting of the acquisition cost of the property and any costs directly attributable to the acquisition. Subsequently, investment properties are measured at fair value. Changes in the fair value are recognised in the income statement as a value adjustment of investment properties under other operating income/costs in the financial year in which the change occurs.

Leases

Lease assets

Lease assets are recognised at the commencement date of the lease which is the date the underlying asset is available for use. Lease assets are measured at cost, less any accumulated depreciation and potential impairment, adjusted for any remeasurement of lease liabilities. The cost includes the amount of lease liabilities recognised, initial direct costs incurred less any lease incentives received.

Lease assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets – which is typically 2-10 years.

If ownership of the leased assets transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The lease assets are also subject to impairment.

The Group has applied the short-term lease recognition exemptions to its short-term leases (lease term of 12 months or less) and applies also the lease of low-value assets recognition exemptions to leases. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term in profit and loss.

Impairment of non-current assets

Goodwill and intangible assets with indefinite useful lives are subject to annual impairment tests, initially before the end of the acquisition year and if there is any indication of impairment. Likewise, development projects in process are subject to an annual impairment test.

The carrying amount of goodwill is tested for impairment together with the other non-current assets of the cash-generating unit or groups of cash-generating units to which goodwill has been allocated. If the carrying amount exceeds the recoverable amount, it is written down to the recoverable amount via the income statement. As a main rule, the recoverable amount is calculated as the present value of expected future net cash flows from the entity or activity (cash-generating unit or groups of cash-generating units) to which goodwill has been allocated.

Deferred tax assets are subject to annual impairment tests and are recognised only to the extent that it is probable that the assets will be utilised.

1 Accounting policies (continued)

The carrying amount of other non-current assets is tested annually for impairment indicators. When there is an indication that assets may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of an asset's fair value less expected disposal costs and its value in use. Value in use is the present value of future cash flows expected to be derived from an asset or the cash-generating unit to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognised in the income statement.

Impairment losses of goodwill are not reversed. Impairment losses on other assets are reversed only to the extent that changes in the assumptions and estimates underlying the calculation of impairment losses have occurred. Impairment losses are only reversed to the extent that the asset's increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Lease liabilities
Lease liabilities are measured at the net present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that do not depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in profit and loss in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date, because the interest rate implicit in the lease is not readily determinable.

After the commencement date the carrying amount of lease liabilities is remeasured if there is a modification whether it's a change in the in-substance fixed lease payments, a change lease term (termination or extension), or a change in the assessment to purchase the underlying asset.

The Group's lease liabilities are included in the interest-bearing debt.

Investments in joint ventures and associated companies
Investments in joint ventures and associated companies are recognised in the consolidated financial statements according to the equity method, which means that the investments are measured in the balance sheet at the proportionate share of the joint ventures' and associated companies' net asset values calculated in accordance with the Group's accounting policies minus or plus the proportionate share of unrealised intra-group gains and losses and plus any excess values on acquisition, including goodwill. Investments in joint ventures and associated companies are tested for impairment when impairment indicators are identified.

Investments in joint ventures and associated companies with negative net asset values are measured at EUR 0 (nil). If the Group has a legal or constructive obligation to cover a deficit in the joint venture and associated company, such deficit is recognised under liabilities.

On the acquisition of investments in joint ventures and associated companies, the acquisition method is used; see description of business combinations.

Other investments
Equity investments where the Group does not have significant influence or control and not classified as subsidiary,

1 Accounting policies (continued)

associate or joint venture are included under other investments and are measured as financial assets at fair value through the income statement.

Net gains and losses arising from changes in the fair value of financial assets are recognised in the income statement as financial income or expenses. Financial assets for which no active market exists are carried at fair value based on a valuation methodology.

Call options
Call options related to equity investments are included under derivatives (other receivables) and measured at fair value through the income statement. The fair value is based on a valuation methodology comparing the expected equity value with the agreed exercise prices (level 3 in the fair value hierarchy).

Net gains and losses arising from changes in the fair value of call options are recognised in the income statement as financial income or expenses.

Inventories
Inventories are measured at the lower of cost according to the FIFO method and the net realisable value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials, wages and salaries as well as maintenance and depreciation of production machinery and equipment as well as administrative expenses and management costs.

The cost of acquired TV programmes are recognised as inventory at the time when the right to broadcast the TV programme begins. The cost of a TV programme is expensed proportionally over the period the TV programme is broadcast.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables
Trade receivables are hold with the objective to collect the contractual cash flows. Receivables are therefore measured at fair value on initial recognition and are subsequently measured at amortised cost using the effective interest method less any impairment. Receivables are impaired at initial recognition. The impairment equals lifetime expected credit loss allowance on receivables in accordance with the simplified approach.

Prepayments
Prepayments, such as prepaid royalty, prepaid authors' fees and prepaid TV programmes and sports broadcasting rights, which are recognised under assets, comprise costs incurred concerning subsequent financial years. Prepayments are measured at cost less impairment.

Securities
Securities consist mainly of listed bonds that are held for investment of excess liquidity and managed in accordance with a documented investment strategy. Securities are measured initially at the listed price at the trade date and subsequently at the listed price at the end of the reporting period (fair value). Value adjustments are recognised directly in the income statement under financial income/expenses.

Pension obligations and similar non-current liabilities
Defined contribution plans where the Group regularly pays fixed pension contributions to independent pension funds are recognised in the income statement in the period during which employees earn entitlement to them, and any contributions outstanding are recognised in the balance sheet under other payables.

For defined benefit plans, an actuarial calculation (the Projected Unit Credit method) is performed annually of the present value of future benefits payable under the defined benefit plan based on assumptions about the future devel-

1 Accounting policies (continued)

opment in variables such as salary levels, interest rates, inflation and mortality. The actuarial present value less the fair value of any plan assets is recognised in the balance sheet under pension obligations.

Pension costs for the year are recognised in the income statement based on actuarial estimates and financial assumptions at the beginning of the year. Actuarial gain or loss is recognised in other comprehensive income.

Current tax payable/receivable and deferred tax
Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on the basis of all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill that is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either result for the year or taxable income. Where different tax rules can be applied to determine the tax value, deferred tax is measured based on planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the end of the reporting period when the deferred tax is expected to be realised as current tax. Changes in deferred tax due to changed tax rates are recognised in the comprehensive income for the year.

Other provisions
Provisions are recognised when the Group incurs a legal or constructive obligation due to an event occurring before or at the end of the reporting period, and meeting the obligation is likely to result in an outflow of economic benefits. Provisions are measured at the best estimate of the costs required to settle the obligation. The costs required to settle the obligation are discounted provided that such discounting would have a material effect on the measurement of the liability. A pre-tax discount rate is used that reflects the current market interest rate level plus risks specific to the liability.

Other provisions primarily consist of provisions for goods sold with a right of return, where, based on past experience or otherwise, the Group can make a reliable estimate of the amount of goods that will be returned and expected restructuring costs, etc.

Warranty provisions are recognised as the underlying goods are sold based on historical warranty costs experience in previous financial years.

Restructuring costs are recognised under liabilities when a detailed, formal restructuring plan has been announced to the employees affected no later than at the end of the reporting period. On acquisition of businesses, provisions for restructuring in the acquiree are only included in goodwill when, at the acquisition date, the acquiree had an existing liability for restructuring.

A provision for onerous contracts is recognised when the expected benefits to be obtained by the Group from a contract are lower than the unavoidable costs of meeting its obligations under the contract.

Put options on non-controlling interests
Non-controlling interests continues to receive an allocation of profit or loss.

Put options on non-controlling interests' share of equity are measured at the present value of the redemption amount calculated as if the options were exercised on the last day of the financial year and based on the latest financial information of the relevant companies. Non-controlling interests are reclassified as liability at the end of the financial year as if the acquisition took place at that date (the anticipated acquisition method).

Net gains and losses arising from changes in the fair value of put options are recognized in equity.

Financial and non-financial liabilities

Financial liabilities are recognised at the date of borrowing as the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, such that the difference between the proceeds and the nominal value is recognised under financial expenses in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income, including i.e. the sale of film broadcasting rights, is measured at cost.

CASH FLOW STATEMENT

The cash flow effect of acquisitions and disposals of businesses is shown separately in cash flows from investing activities. Cash flows from acquired businesses are recognised in the cash flow statement from the date of acquisition, and cash flows from disposals of businesses are recognised until the date of disposal.

Cash flows from operating activities are calculated according to the indirect method as the profit for the year before net financials, adjusted for non-cash operating items, changes in working capital and corporate income tax paid.

Cash flows from investing activities comprise payments in connection with the acquisition and disposal of businesses and activities and the acquisition and disposal of intangible assets, property, plant and equipment and other non-current assets, as well as securities.

Cash flows from financing activities comprise the raising of loans and repayment of interest-bearing debt including lease liabilities, donations made and transactions with non-controlling interests.

Cash and cash equivalents comprise cash and marketable securities with a residual term of less than three months at the acquisition date which are subject to an insignificant risk of changes in value.

Cash flows in other currencies than the functional currency are translated using average exchange rates unless these deviate significantly from the rates at the transaction date.

FINANCIAL TERMS

In this annual report the following financial terms are used:

EBITDA	Operating profit before net financials, depreciation, amortisation and impairment losses.
Operating profit (EBIT)	Profit before tax and net financials.
Adjusted Operating profit	Operating profit after results from associates and operational financial income/(expenses).
EBT	Profit before tax

FINANCIAL RATIOS

Financial ratios stated in the consolidated financial statements have been calculated in accordance with the Danish Finance Society's "Recommendations & Ratios".

The financial ratios stated under financial highlights have been calculated as follows:

Operating margin

$$\frac{\text{Operating profit x 100}}{\text{Revenue}}$$

Equity ratio

$$\frac{\text{Equity, excl. non-controlling interests, x 100}}{\text{Total assets}}$$

Return on equity

$$\frac{\text{Net profit for the year, excl. non-controlling interests, x 100}}{\text{Average equity, excl. non-controlling interests}}$$

2 Revenue

	Nordic Countries		Other Countries		Total	
Geographical markets	2023	2022	2023	2022	2023	2022
Sale of goods	1,205,524	1,074,916	112,577	107,856	1,318,101	1,207,155
Sale of services	899,458	993,291	36,514	25,146	935,972	994,054
Royalty	112,303	92,632	491	113	112,794	92,745
Rental income	9,937	9,109	0	0	9,937	9,109
Total	**2,227,222**	**2,169,948**	**149,582**	**133,115**	**2,376,804**	**2,303,063**
At point in time	2,003,428	1,913,794	149,100	131,418	2,152,528	2,045,212
Transferred over time	223,794	256,154	482	1,697	224,276	257,851
Total	**2,227,222**	**2,169,948**	**149,582**	**133,115**	**2,376,804**	**2,303,063**

Revenue split on Divisions	2023	2022
TV 2, Norway	636,683	653,038
Nordisk Film	728,473	572,883
Story House Egmont	796,602	852,602
Egmont Books	216,687	224,007
Other (i.e. rental income)	9,937	9,109
Eliminations	(11,578)	(8,576)
Total	**2,376,804**	**2,303,063**

Contract balances	2023	2022
Trade receivables (note 26)	265,661	245,946
Contract assets	1,536	10,062
Contract liabilities (note 28)	99,851	114,340

In 2023, 3.8 million (2022: 5.2 million) was recognised as provision for expected credit losses on trade receivables, cf. note 27.

Contract assets primarily relate to revenue from work for hire contracts where the customer has been invoiced less than the stage of completion. As such, the balances of this account vary and depend on the number of ongoing work for hire contracts at the end of the year. Contract assets are presented in trade receivables.

Contract liabilties include advances on gift cards, subscriptions, work for hire contracts, etc. Contract liabilities are presented as deferred income.

3 Other operating income

	2023	2022
Government grants, including Covid-19 grants	3,021	6,932
Re-measurement of shares, earn-outs and sale of activities in other companies	8,128	14,704
Fair value adjustment of investment properties	162	734
Reversal of provisions for litigations and claims	6,567	0
Miscellaneous	6,891	7,409
Total	**24,768**	**29,779**

4 Personnel expenses

	2023	2022
Wages and salaries	(452,495)	(419,799)
Defined contribution pension plans	(30,386)	(28,989)
Defined benefit pension plans	9	(3)
Other social security costs	(53,525)	(52,627)
Share-based payment	(404)	(424)
Total	**(536,801)**	**(501,842)**

Average number of full-time employees	6,220	6,201

Compensation to Management Board amounted to 5,501 (2022: 5,697), of which pension contributions amounted to 464 (2022: 448).

Compensation to the Board of Directors and Audit Committee amounted to 616 (2022: 600).

Annual compensation to members of the Board of Directors per task	2023	2022
Egmont Fonden, general:		
Member	11	11
Vice chair	16	16
Chair	21	21
Egmont Fonden, charitable activities:		
Member	11	10
Vice chair	16	15
Chair	21	19
Grant Committee, charitable activities:		
Vice chair	16	15
Chair	32	31
Audit committee (established in Q4 2023):		
Member	3	0
Chair	5	0
Egmont International Holding A/S:		
Member	35	34
Vice chair	52	51
Chair	70	68

Share-based payment

A long term share-based incentive programme has been issued in Nordisk Games A/S. The program is targeted at executive employees, selected second level management and senior specialists in Nordisk Games Group. The share options have been granted for free and without any related performance conditions, however certain key employees have acquired 1 share option for every 9 free share options at the fair value at the grant date.

4 Personnel expenses (continued)

All share options vest 3 years after grant, followed by a 2 years excercise window. The options are settled in shares, however the Board of Directors in Nordisk Games A/S has the right to settle the option in cash at market price.

Usual good and bad leaver conditions applies for the exercise of the options. Special provisions applies if changes in the capital structure of Nordisk Games A/S occur.

Share option programmes	2023	2022
Number of persons included in the programme	9	13
Total number of share options granted	1,115,000	1,525,000
Vesting date	31.05.2025	31.05.2025
Exercise period begins	01.06.2025	01.06.2025
Exercise period ends	31.05.2027	31.05.2027
Exercise price	3.78	3.78
Fair value at the date of the grant	1.48	1.48

Outstanding share options	2023	2022
1 January	1,525,000	0
Share options granted during the year	0	1,525,000
Share options forfeited during the year	(410,000)	0
31 December	**1,115,000**	**1,525,000**

The fair value calculated at the grant date is based on a Black-Scholes warrant pricing model.

Fair value, liability and expense recognised in the statement of profit or loss:
The share options granted are recognised in profit or loss for 2023 corresponding to the fair value at the time of grant accrued over the vesting period. The total expense recognised in respect of equity-settled programmes amounted to 404 before tax in 2023 (2022: 424). At 31 December 2023, the fair value of the remaining equity-settled programmes amounts to 825 (2022: 1,584).

5 Depreciation, amortisation and impairment losses

	2023	2022
Amortisation, intangible assets	(128,420)	(112,976)
Impairment losses, intangible assets, net	(16,137)	(2,190)
Depreciation, property, plant and equipment	(22,258)	(24,778)
Impairment losses, property, plant and equipment	(127)	(3,377)
Depreciation of lease assets	(32,743)	(30,336)
Impairment of lease assets	(132)	(1,146)
Total	**(199,817)**	**(174,803)**

6 Net financial income/(expense) from operation

	2023	2022
Dividends received	149	492
Gain on disposal of securities	209	2,953
Foreign exchange gains, net	0	841
Financial income from operations	**358**	**4,286**
Fair value adjustments of bonds and shares	(1,557)	0
Foreign exchange loss, net	(2,657)	0
Other financial expenses	(2,762)	(2,960)
Financial expenses from operations	**(6,976)**	**(2,960)**
Total	**(6,618)**	**1,326**

7 Financial income

	2023	2022
Interest income, derivative financial instruments, measured at amortised cost	2,106	0
Other financial income	126	85
Total	**2,232**	**85**

8 Financial expenses

	2023	2022
Interest expenses, financial liabilities, measured at amortised cost	(22,085)	(4,621)
Interest expense on lease liability	(8,006)	(8,219)
Interest expenses, derivative financial instruments, measured at amortised cost	0	(3,019)
Fair value adjustment of virtual power purchase agreement	(1,000)	0
Total	**(31,091)**	**(15,859)**

9 Taxes

	2023	2022
Current tax	(12,970)	(8,282)
Deferred tax	2,944	495
Adjustments for prior years, current tax	3,768	(3,755)
Adjustments for prior years, deferred tax	(2,516)	6,005
Total	**(8,774)**	**(5,537)**

Tax on the profit for the year results as follows:

Calculated tax, 22.0% on profit before tax	(11,084)	(14,769)
Adjustment of calculated tax in foreign entities relative to 22.0%	829	1,007
Tax effect of:		
Non-taxable income	5,036	10,679
Non-deductible expenses	(5,089)	(5,198)
Share of net profit/(loss) in joint ventures	17	467
Share of net profit/(loss) in associates	366	95
Adjustments for prior years	1,252	2,250
Withholding taxes	(101)	(68)
Total	**(8,774)**	**(5,537)**
Effective tax rate	17.4%	8.2%

9 Taxes (continued)

The effective tax rate in 2023 was affected by interest limitations, recognition of tax assets not previously recognised in the balance sheet, as well as other adjustments for prior years. Adjusting for this, the effective tax rate for 2023 was in the level of 20%.

The effective tax rate in 2022 was affected by non-taxable gains from divestments and value adjustments in connection with step acquisitions, adjustment of earn-out, as well as adjustments for prior years. Adjusting for this, the effective tax rate for 2022 was in the level of 22%.

Tax recognised in other comprehensive income:

	2023	2022
Tax on value adjustment of hedging instruments	(3,618)	(7,246)
Foreign exchange adjustments on translation of foreign entities	549	462
Tax on actuarial gains/(losses) on defined benefit pension plans	475	(157)
Total	**(2,594)**	**(6,941)**

Implementation of Pillar II Model Rules:
No material impact is expected due to the OECD/EU Pillar II Model Rules and their local implementation. Most countries where the Group has operations impose taxation in excess of 15%, and the remainder are expected to increase the tax rate such that all countries not covered by the transitional safe harbour rules are still expected to show an effective tax rate in excess of 15%.

10 Intangible assets

	Film rights and other acquired rights	In-house produced rights	Goodwill	Intangible Trade-marks	assets under development and pre-payments
Cost at 1 January 2023	655,235	332,191	878,158	253,615	28,579
Adjustments relating to previous years	7,770	0	(2,068)	(8,558)	0
Foreign exchange adjustments	(8,364)	(3,398)	(32,975)	(13,032)	(61)
Additions through business combinations	365	0	4,643	0	0
Additions	30,225	35,149	95	14,391	41,684
Transferred	45,804	0	0	0	(45,804)
Disposals	(8,898)	(7,579)	(904)	(1,041)	0
Cost at 31 December 2023	**722,137**	**356,363**	**846,949**	**245,375**	**24,398**
Amortisation and impairment losses at 1 January 2023	(529,988)	(260,249)	(70,875)	(53,267)	0
Adjustments relating to previous years	(7,770)	0	2,068	8,558	0
Foreign exchange adjustments	5,815	2,219	6,226	2,363	0
Disposals	5,572	3,178	94	1,061	0
Reversal of previous impairment loss	0	2,279	0	0	0
Impairment losses	(10,801)	(6,107)	0	(1,508)	0
Amortisation	(63,567)	(52,635)	0	(12,218)	0
Amortisation and impairment losses at 31 December 2023	**(600,739)**	**(311,315)**	**(62,487)**	**(55,011)**	**0**
Carrying amount at 31 December 2023	**121,398**	**45,048**	**784,462**	**190,364**	**24,398**
Cost at 1 January 2022	577,023	287,868	829,990	241,806	21,750
Adjustments relating to previous years	539	5,176	27	0	0
Foreign exchange adjustments	(5,160)	(6,844)	(43,551)	(13,091)	(36)
Additions through business combinations	28,476	0	87,229	24,988	357
Additions	25,188	51,123	7,398	(88)	45,991
Transferred	39,153	0	0	0	(39,153)
Disposals	(9,984)	(5,132)	(2,935)	0	(330)
Cost at 31 December 2022	**655,235**	**332,191**	**878,158**	**253,615**	**28,579**
Amortisation and impairment losses at 1 January 2022	(484,229)	(221,437)	(75,948)	(41,864)	0
Adjustments relating to previous years	(512)	(5,176)	0	0	0
Foreign exchange adjustments	4,183	5,578	3,738	2,819	0
Disposals	7,168	5,132	1,335	0	0
Reversal of previous impairment loss	0	978	0	0	0
Impairment losses	(428)	(759)	0	(1,981)	0
Amortisation	(56,170)	(44,565)	0	(12,241)	0
Amortisation and impairment losses at 31 December 2022	**(529,988)**	**(260,249)**	**(70,875)**	**(53,267)**	**0**
Carrying amount at 31 December 2022	**125,247**	**71,942**	**807,283**	**200,348**	**28,579**

10 Intangible assets (continued)

Goodwill

The carrying amount of goodwill is tested for impairment annually or if there is any indication of impairment. The impairment test is made for the Group's cash-generating units, based on their management structure and internal financial reporting.

	2023	2022
TV 2, Norway	186,692	199,596
Nordisk Film, Cinemas	59,757	62,456
Nordisk Film, Games	122,477	122,868
Story House Egmont	246,735	245,028
Books	159,490	167,999
Other units	9,311	9,336
Carrying amount	**784,462**	**807,283**

In the impairment test of the cash-generating units, the recoverable amount, equivalent to the discounted value of expected future net cash flows, is compared with the carrying amount of the cash-generating units.

The recoverable amount is based on the value in use, determined by using expected net cash flows that are based on management-approved budgets and business plans for 2024, projections for subsequent years up to and including 2028 (for Nordisk Film, Games up to 2032), and average growth during the terminal period.

Key assumptions

Revenue and margins
The key assumptions in the calculation of value in use for all cash-generating units are development in revenues and margins and determination of discount rates and growth rate during terminal period.

TV 2, Norway
The TV business is volatile due to various trends and factors shifting the business model and therefore affected by a generally larger uncertainty regarding the development in revenue and expenses. Combined with increasing prices for acquiring TV rights related to especially sports events and increasing programme cost for Norwegian TV productions, it may result in a more volatile EBITDA-margin in the coming years. The value of the business is primarily impacted by the development in advertising income, number of subscribers and the prices of TV content.

An average annual growth in revenues in the budget and forecast period is expected to be between 2 % and 5 % mainly due to increase in revenue from subscription sales (TV2 Play) while advertising sales for traditional flow-TV is expected to decline.

Margins are expected to be maintained at more or less the same competitive level based on continued efficiencies as well as a focus on cost savings.

Nordisk Film, Cinemas
The Cinemas cash-generating unit is dependent on a strong line-up of both local and international titles to keep up ticket revenue (box office sales) as well as a strong performance in the gift cards business.

Cinemas are aware of the pressure on the window structure in terms of changes in the length of the cinema exclusivity period and the risk of titles being released directly to Home Entertainment.

10 Intangible assets (continued)

Revenue in the budget and forecast period is expected to grow between 2% and 19% annually as the cinemas business will return to a new normal subsequent to Covid-19 and a period with low level of releases of new big international titles. Growth in 2025 is expected to reach 19% due to the global expansion of the global gift card and from 2025 the growth is expected to be more stable from 2-5%. Margins are expected to come under pressure due to increasing fixed costs.

Nordisk Film, Games
Revenues in the Games cash-generating unit is expected to grow between 4% and 18% annually from an increased focus on self-published games and work for hire projects while at the same time maintaining a stable cost base resulting in improved profitability. The gaming industry has been facing tough market conditions with gamer publishers holding back and commissioning fewer new projects. The gaming business in general, however, is expected to be a long-term growth area. Due to this, the budget period has been extended from 5 to 10 years in the impairment test.

Story House Egmont
The traditional publishing business is expected to be reduced. On the other hand revenue from other business areas such as e-commerce and agencies are expected to increase again from 2025 after a couple of years with challenging macroeconomic circumstances. An annual growth in revenue between 1% and 6% is expected. At the same time, it is expected that margins will be stable.

Books
The general shift from analogue to digital sales will continue. The digital business will increase significantly in both Retail and Education and be the main driver of growth. An annual growth up to 4% is expected in the budget and forecast period while matintaining a stable cost base resulting in slightly improved profitability. This is i.e. due to harvesting of the previous years' heavy investments in digitalizing the audio books and e-books cataloque.

Discount rates and growth rate during terminal period
Discount rates are determined for each cash-generating unit on basis of a risk-free rate, plus market risk premium and a small stock premium.

The risk-free rate is based on an average of 10-year government bond spot rates for Denmark, Norway, and Sweden.

The market risk premium is calculated as a general market risk premium of 5.9% multiplied by the non-leveraged beta value of each cash-generating unit. Further, a small-cap premium is added.

The non-leveraged beta values are based on the non-leveraged beta values for peer-group companies.

Expected growth during the terminal period is not estimated to exceed the long-term average growth rate in the business areas.

On this basis the following pre-tax discount rates and growth rates during terminal period have been applied:

	Pre-tax discount rates		Growth rate during terminal period	
	2023	2022	2023	2022
TV 2, Norway	14.0%	10.1%	2.5%	2.5%
Nordisk Film, Cinemas	11.3%	9.1%	2.0%	2.0%
Nordisk Film, Games	13.8%	12.1%	2.5%	2.0%
Story House Egmont	13.4%	11.3%	2.0%	2.0%
Books	11.5%	8.8%	2.0%	2.0%

10 Intangible assets (continued)

The rise in WACC rates are generally driven by higher interest rate premiums and higher small size premiums.

Impairment tests for goodwill for 2023 regarding the identified cash-generating units of the Group show that the recoverable amount exceeds the carrying amount.

Sensitivity
The Group assesses that probable changes in the assumptions underlying the impairment calculations will not result in a need to write down goodwill for impairment in the Group's primary cash-generating units.

Trademarks with definite lifetime
The impairment on trademarks with definite lifetime in 2023 is mainly related to e-commerce due to lower revenue (2022: impairments on e-commerce due to lower revenue).

Trademarks
The carrying amount of trademarks with an indefinite life is tested for impairment annually or if there is any indication of impairment.

	2023	2022
TV 2, Norway	124,552	133,490

Trademarks for TV 2, Norway are tested by using the Relief from Royalty method to assess future cash flows from royalty income for the individual trademarks. The royalty rate, determined on the basis of the cash-generating unit's products and the reputation of such products is 4.5% (2022: 4.5%).

Key parameters used in the impairment models for the primary cash-generating units:

	Pre-tax discount rates		Growth rate during terminal period	
	2023	2022	2023	2022
TV 2, Norway	13.8%	10.1%	2.5%	2.5%

Impairment tests for trademarks with an indefinite life for 2023 show that the recoverable amount exceeds the carrying amount.

Sensitivity
The Group assesses that probable changes in the assumptions underlying the impairment calculations will not result in a need to write down trademarks for impairment in the Group's primary cash-generating units.

In-house produced rights
The Group makes regular estimates of the remaining useful lives of film rights and in-house produced film rights based on its expected sales in the cinema, transactional home entertainment (TVOD and streaming) and TV media markets, which are naturally subject to uncertainty as actual sales may differ from estimated sales.

The Group continuously receives sales estimates, and if impairment indicators are identified, film rights and in-house produced films and games rights are written down for impairment. The useful lives of film rights and in-house produced film rights for 2023 were in general at the expected level. In 2023, however, a few specific games in development have been cancelled, which has resulted in impairment of approximately 16 million.

11 Property, plant and equipment

	Land and buildings	Plant and machinery	Tools and equipment	Leasehold improve-ments	Property, plant and equipment under construction
Cost at 1 January 2023	230,732	79,157	78,956	30,914	2,763
Adjustments relating to previous years	0	0	0	1,414	0
Foreign exchange adjustments	(508)	(3,986)	(980)	(747)	(30)
Additions	0	4,735	3,146	2,933	4,064
Transferred	687	0	2,309	496	(3,491)
Disposals	(1,352)	(1,723)	(3,821)	(151)	(72)
Cost at 31 December 2023	**229,559**	**78,183**	**79,610**	**34,859**	**3,234**
Depreciation and impairment losses at 1 January 2023	(109,258)	(50,184)	(56,866)	(20,724)	0
Adjustments relating to previous years	0	60	(0)	(1,414)	0
Foreign exchange adjustments	247	2,881	101	318	0
Disposals	1,353	1,721	3,033	328	0
Reversal of previous impairment loss	0	0	178	568	0
Impairment losses	0	(16)	(475)	(382)	0
Depreciation	(5,921)	(6,328)	(7,170)	(2,838)	0
Depreciation and impairment losses at 31 December 2023	**(113,579)**	**(51,866)**	**(61,199)**	**(24,145)**	**0**
Carrying amount at 31 December 2023	**115,980**	**26,317**	**18,411**	**10,714**	**3,234**
Cost at 1 January 2022	230,357	72,859	87,918	36,915	5,588
Adjustments relating to previous years	0	24	354	(30)	0
Foreign exchange adjustments	(2)	(3,934)	(1,794)	(1,052)	(96)
Additions through business combinations	18	0	1,581	1,159	0
Additions	1,557	10,402	10,355	2,300	2,687
Transferred	775	0	2,906	1,481	(5,162)
Disposals	(1,973)	(194)	(22,364)	(9,859)	(254)
Cost at 31 December 2022	**230,732**	**79,157**	**78,956**	**30,914**	**2,763**
Depreciation and impairment losses at 1 January 2022	(104,932)	(43,661)	(71,679)	(28,574)	0
Adjustments relating to previous years	0	(6)	56	(32)	0
Foreign exchange adjustments	145	2,949	1,747	1,071	0
Disposals	1,973	194	22,155	9,717	0
Impairment losses	(28)	(589)	(2,398)	(362)	0
Depreciation	(6,416)	(9,071)	(6,747)	(2,544)	0
Depreciation and impairment losses at 31 December 2022	**(109,258)**	**(50,184)**	**(56,866)**	**(20,724)**	**0**
Carrying amount at 31 December 2022	**121,474**	**28,973**	**22,090**	**10,190**	**2,763**

12 Investment properties

	2023	2022
Fair value at 1 January	45,003	40,611
Foreign exchange adjustments	(99)	0
Fair value adjustment	162	734
Construction in progress	0	3,658
Fair value at 31 December	**45,066**	**45,003**

Investment properties consist of a rental property in Denmark, let under a long-term lease. The fair value is calculated according to the net rental method, and thus the value of the property has been calculated on the basis of its expected operating income (pre-tax return) of 2,831 (2022: 2,841) and a required rate of return of 3.88% (2022: 3.38%), determined on the basis of the general market level and specific circumstances relating to the property (level 3). Fair value adjustment of investment properties in 2023 amounts to 162 (2022: 734).

If the required rate of return increase or decrease by 0.25%, the fair value of the investment property will be affected by approx 3.0 million.

Rental income amounted to 2,194 (2022: 2,090) and operating costs to 668 (2022: 666).

13 Lease assets

	2023	2022
Carrying amount at 1 January	154,440	147,927
Foreign exchange adjustments	(5,349)	(5,750)
Additions through business combinations	0	0
Re-measurement	25,666	19,646
Additions, net	1,786	24,099
Depreciation	(32,743)	(30,336)
Impairment	(132)	(1,146)
Carrying amount at 31 December	**143,668**	**154,440**

The lease assets consists mainly of property leases (rent of cinemas, offices, stores and warehouses etc). The lease contracts are typically made for fixed periods of 2 to 10 years, but may have extension options included in the lease term. Lease terms are negotiated on an individual basis and contains different terms and conditions including payment terms, termination rights, index-regulations, maintenance etc.

Extension and termination options are typically found in leases in order to maximise operational flexibility in terms of managing contracts.

Recognised in profit and loss:	2023	2022
Depreciation of lease assets	32,743	30,336
Impairment of lease assets	132	1,146
Interest expense on lease liabilities	8,006	8,219
Lease expenses related to variable lease payments not included in the lease liabilities	4,695	1,921
Lease payments relating to short-term leases (under 12 months) and low-value leases	1,807	579

Some property leases contain variable payment terms that are linked to an index or revenue e.g. sale of cinema tickets.

In 2023, an amount of 132 has been impaired on certain onerous locations (2022: 1,146 primarily in our e-commerce business).

14 Investments in joint ventures

	2023	2022
Cost at 1 January	21,793	22,382
Transfer	2,528	1,394
Foreign exchange adjustments	(969)	(767)
Additions	750	380
Disposals	0	(1,596)
Other adjustments	(60)	0
Cost at 31 December	**24,042**	**21,793**
Adjustments at 1 January	14,931	14,585
Transfer	(2,528)	(1,394)
Foreign exchange adjustments	(828)	(473)
Share of profit for the year	75	2,121
Equity transactions in joint ventures	(2,840)	1,742
Dividends	(1,223)	(2,565)
Disposals	534	915
Other adjustments	(3,539)	0
Adjustments at 31 December	**4,582**	**14,931**
Carrying amount at 31 December	**28,624**	**36,724**

Key figures in joint ventures	2023	2022
Comprehensive income		
Revenue	178,085	175,148
Net profit for the year	3,891	4,443
Dividend received	1,223	2,565
Balance sheet		
Non-current assets	16,031	12,378
Current assets	62,156	75,476
Non-current liabilities	1,182	4,530
Current liabilities	46,402	48,350
Equity	30,601	34,973
Egmont Fonden's share of equity	**15,085**	**17,348**
Goodwill	13,539	19,376
Investments in joint ventures	**28,624**	**36,724**

The Group has investment in 10 joint ventures. No joint ventures are presented separately as they are considered individually immaterial relatively to the total portfolio.

15 Investments in associates

	2023	2022
Cost at 1 January	147,058	154,519
Adjustments to previous years	1,129	0
Foreign exchange adjustments	(8,247)	(5,150)
Additions	1,022	2,325
Disposals	0	(4,636)
Cost at 31 December	**140,962**	**147,058**
Adjustments at 1 January	(28,170)	(8,106)
Adjustments to previous years	(1,129)	0
Foreign exchange adjustments	2,570	1,536
Share of profit/(loss) for the year	1,665	434
Dividends	(2,696)	(2,809)
Disposals	0	(19,225)
Other adjustments	2,325	0
Adjustments at 31 December	**(25,435)**	**(28,170)**
Carrying amount at 31 December	**115,527**	**118,888**

	Star Stable		Jollyroom		Others	
Key figures in associates	2023	2022	2023	2022	2023	2022
Comprehensive income						
Revenue	28,049	33,323	145,152	171,448	129,357	105,668
Net profit for the year	(1,107)	(3,293)	(3,714)	(4,122)	11,330	5,294
Dividend received	0	0	0	0	2,696	3,082
Balance sheet						
Non-current assets	1,419	2,849	14,337	14,841	75,727	52,923
Current assets	6,212	5,166	32,072	41,259	55,293	102,794
Non-current liabilities	811	3,663	4,939	8,285	7,793	10,669
Current liabilities	4,271	2,825	32,095	38,073	72,797	101,170
Equity	2,549	1,527	9,375	9,742	50,430	43,878
Egmont Fonden's share of equity	**1,451**	**864**	**4,463**	**4,772**	**20,923**	**18,896**
Goodwill and other PPA-values	46,611	52,369	18,675	20,759	23,404	21,228
Investments in associates	**48,062**	**53,233**	**23,138**	**25,531**	**44,327**	**40,124**

Star Stable hosts the biggest online horse game and fits into Egmont's games strategy. Jollyroom is the biggest e-commerce business in the Nordics within parenting and is a part of Egmont's strategic e-commerce portfolio.

16 Inventories

	2023	2022
Raw materials and consumables	4,443	4,360
Work in progress	5,139	2,325
Manufactured goods and goods for resale	174,871	182,788
TV programmes	8,044	12,908
Total	**192,497**	**202,381**

At the end of the reporting period, the Group estimates the write-down to realisable value for manufactured goods and goods for resale, which primarily relates to books and e-commerce. The estimate is based on expected sales and therefore subject to some uncertainty.

The cost of inventories sold and write-down of inventories for the year amounted to 776,023 (2022: 697,380) and 12,307 (2022: 9,003), respectively. Reversed write-down of inventories in the income statement amounted to -3,992 (2022: -2,705). Inventories included capitalised payroll costs in the amount of 1,568 (2022: 737).

17 Prepayments

Prepayments include sports broadcasting rights amounting to 7,229 (2022: 10,595), which are utilized more than 12 months from balance sheet day.

18 Cash and cash equivalents

Cash and cash equivalents include fixed-term deposits of 903 (2022: 1,660). Cash and cash equivalents pledged as collateral amounted to 2,632 (2022: 2,536).

19 Equity

Egmont Fonden is an enterprice foundation and thus subject to special conditions relating to its capital, as set out in the Foundation's Charter. The Foundation's assets are used for donations in connection with the Foundation's Charitable Activities. The balance of Egmont Fonden's assets is transferred to a reserve to ensure that the Foundation is provided with the necessary capital for consolidating and expanding in accordance with sound principles. Egmont Fonden's equity ratio stood at 43.9% (2022: 42.5%).

20 Hedging instruments

	2023	2022
Value adjustments for the year	(604)	7,730
Value adjustments transferred to other external expenses	14,803	24,630
Value adjustments transferred to financial expenses	1,428	1,803
Total	**15,627**	**34,163**

21 Other comprehensive income

	Capital fund	Reserve for hedging transactions	Reserve for foreign exchange adjustments	Retained earnings	Non-controlling interests	Total equity
Actuarial gains/(losses) on defined benefit pension plans	0	0	0	(1,037)	0	(1,037)
Equity transactions in joint ventures and associates	0	0	0	(2,840)	0	(2,840)
Foreign exchange adjustments on translation to presentation currency	(64)	(49)	0	(2,706)	(32)	(2,851)
Foreign exchange adjustments on translation of foreign entities	(0)	987	(49,131)	(37)	54	(48,127)
Net value adjustments of hedging instruments	0	15,627	0	0	0	15,627
Tax on other comprehensive income	0	(3,618)	549	475	0	(2,594)
Other comprehensive income 2023	**(64)**	**12,946**	**(48,582)**	**(6,145)**	**22**	**(41,822)**
Actuarial gains/(losses) on defined benefit pension plans	0	0	0	712	0	712
Equity transactions in joint ventures and associates	0	0	0	1,742	0	1,742
Foreign exchange adjustments on translation to presentation currency	0	1	2	(124)	0	(121)
Foreign exchange adjustments on translation of foreign entities	0	1,886	(65,175)	0	(366)	(63,655)
Net value adjustments of hedging instruments	0	34,163	0	0	0	34,163
Tax on other comprehensive income	0	(7,246)	462	(157)	0	(6,941)
Other comprehensive income 2022	**0**	**28,803**	**(64,713)**	**2,173**	**(366)**	**(34,100)**

22 Pension obligations and similar obligations

	2023	2022
Defined benefit pension obligations	607	1,342
Other pension obligations	(2,080)	(3,576)
Total	**(1,473)**	**(2,234)**

Pensions:

The Group mainly has defined contribution pension plans, but also has collective pension plans (multi-employer plans) as well as defined benefit pension plans.

Multi-employer plans:

The Group has collective pension plans in Sweden that are entered into with other enterprises (ITP plans). ITP-plans are classified as multi-employer plans. Such plans are defined benefit plans, but are treated as defined contribution plans according to IAS 19. Contributions made to collective pension plans in Sweden in 2023 amount to 3.0 million (2022: 3.3 million). For 2024, the contributions are expected to be 3.2 million.

Defined benefit pension plans:

The Group has defined benefit pension plans in Norway. These pension plans are funded in whole or in part through collective insurance plans with Kommunal Landspensjonskasse who manages the administration and the investment of the members' pension funds. The Group is exposed to actuarial risks including risks on investment and interest rate and mortality. The Group's remaining defined pension plans in Norway are closed for new members.

22 Pension obligations and similar obligations (continued)

Defined benefit pension obligations recognised in the balance sheet	2023	2022
Present value of defined benefit pension obligations	(13,060)	(14,313)
Fair value of pension plan assets	13,686	15,736
Payroll tax	(19)	(81)
Net asset/(liability) at 31 December	**607**	**1,342**

Composition of pension plan assets (%)		
Bonds	38.0%	40.1%
Shares	31.8%	29.0%
Money market and the like	16.5%	16.1%
Property	13.7%	14.8%

The Group expects to contribute 299 to defined benefit pension plans in 2024.

Maturity of pension obligations	2023	2022
Within 1 year	689	886
Between 1 - 5 years	3,839	4,688
After 5 years	8,532	8,739
Total	**13,060**	**14,313**

Key assumptions used for the actuarial calculations in the individual pension plans:	2023	2022
Discount rate	3.1%	3.0%
Inflation rate	2.3%	2.0%
Salary increase	3.5%	3.5%
Pension increase	1.8 - 3.25%	1.5 - 3.25%
Mortality table	K2013/KU	K2013/KU

Sensitivity analysis:

The analysis shows that fluctuations are insignificant.

Other pension obligations:

The Group has recognised an obligation of 2.1 million (2022: 3.6 million) to cover other pension-like obligations, including primarily job security agreements in a number of subsidiaries. The benefit payments are conditional upon specified requirements being met.

23 Deferred tax

	2023	2022
Deferred tax at 1 January	(29,670)	(23,432)
Adjustments relating to previous years	(2,516)	6,005
Foreign exchange adjustments	4,030	(2,061)
Additions through business combinations	0	(3,736)
Deferred tax for the year recognised in the income statement	2,944	495
Deferred tax for the year recognised in other comprehensive income	(3,350)	(6,941)
Deferred tax at 31 December	**(28,562)**	**(29,670)**

Deferred tax has been recognised in the balance sheet as follows:

Deferred tax, asset	11,101	5,284
Deferred tax, liability	(39,663)	(34,954)
Deferred tax, net	**(28,562)**	**(29,670)**

Deferred tax assets are recognised for all unutilised tax losses to the extent it is considered probable that taxable profits will be realised in the foreseeable future against which the losses can be offset. The amount to be recognised in respect of deferred tax assets is based on an estimate of the probable time of realising future taxable profits and the amount of such profits.

The Group has assessed that deferred tax assets totalling 11,101 (2022: 5,284), primarily attributable to tax losses in Germany and United Kingdom can be realised in the foreseeable future. This is based on the forecasted earnings of the enterprises in which tax assets can be utilised.

The deferred tax relates to	2023	2022
Intangible assets	(50,084)	(57,436)
Property, plant and equipment	8,424	4,696
Receivables	(6,598)	(3,261)
Inventories	3,311	1,977
Other current assets	(1,774)	(2,957)
Provisions	7,274	31,291
Other liabilities	(8,301)	(16,036)
Tax losses allowed for carryforward, etc.	19,186	12,056
Total	**(28,562)**	**(29,670)**

Unrecognised deferred tax assets

The total tax value of unrecognised tax loss carryforwards amounts to 18,853 (2022: 17,217).

Tax loss carryforwards relates to Denmark, Sweden, Norway and United Kingdom.

24 Other provisions

	Goods sold with a right of return	Other
Other provisions at 1 January 2023	43,338	98,929
Foreign exchange adjustments	(563)	(5,705)
Provisions made	32,735	19,125
Provisions used	(27,911)	(36,218)
Reversals	(2,918)	(2,671)
Other provisions at 31 December 2023	**44,680**	**73,460**

Goods sold with a right of return include magazines and books that the shops can return according to agreement. At the date of sale, the Group estimates how many goods are expected to be returned or exchanged based on historical experience of selling such goods. This estimate is naturally subject to uncertainty, as the quantity actually returned may deviate from the estimated quantity. However, the uncertainty concerning the return of magazines is limited due to the short period allowed for returning them.

Other provisions primarily comprise of warranty provisions, provisions for onerous contracts and provisions for pending litigation and claims. Warranty provisions is recognized at its gross liability amount, in respect of which expected partial compensation from the supplier is recognised in other receivables.

Provisions for onerous contracts are recognized at the estimated loss of fulfilling the contractual obligations assessing the future income from the contracts and the direct costs related to the fulfilling of the contracts.

In 2023, the provisions used and made during the year primarily comprise of an additional provision for onerous contracts relating to content supply agreements.

Right of return assets are recognised as part of inventory.

25 Fees to auditors

	2023	2022
Fee to PWC/EY:		
Statutory audit	(1,581)	(1,493)
Tax consultancy	(227)	(306)
Other assurance statements	(95)	(215)
Other services	(684)	(549)
Total fees to PWC/EY	**(2,587)**	**(2,563)**
Fee to other auditors:		
Statutory audit	(217)	(196)
Tax consultancy	(144)	(129)
Other assurance statements	(283)	(237)
Other services	(251)	(384)
Total fees to other auditors	**(895)**	**(946)**
Total	(3,319)	(3,509)

26 Contingent liabilities and collateral

The Group has provided security to mortgage credit institutions of 111,040 (2022: 111,285) over domicile and investment properties, with a carrying amount of 137,274 (2022: 133,336).

Entities in the Group have furnished floating charge securities of 24,357 (2022: 20,216).

The Group has entered into binding contracts concerning purchase of intangible film rights of 27,801 (2022: 35,839).

The Group has entered into binding contracts concerning content supply, which are not recognized in the balance sheet. The contractual nominal obligation amount to 565,130 (2022: 782,979). The contracts fall due over the various contract lengths up to 8 years from the balance sheet date.

Entities in the Group have furnished miscellaneous guarantees, etc., for 13,775 (2022: 10,865).

Contingent assets
The Group has raised a claim regarding repayment of previous paid earn-out of up to 6 million.

27 Financial risks and financial instruments

As a result of its operations, investments and financing, the Group is exposed to certain financial risks. Primarily related to foreign exchange and interests.

Corporate Finance is responsible for centralised management of liquidity and financial risks in the Group's wholly owned entities. Corporate Finance operates as counterparty to the Group's entities, thus undertaking centralised management of liquidity and financial risks. Liquidity and financial risks arising in joint ventures and associates are reported to Corporate Finance and thus managed on a decentralised basis. Management monitors the Group's financial risk concentration and financial resources on an ongoing basis.

The overall framework for financial risk management is laid down in the Group's Treasury Policy approved annually by the Board of Directors. The Treasury Policy comprises the Group's currency and interest rate policy, financing policy and policy regarding credit risks in relation to financial counterparties and includes a description of approved financial instruments and risk framework. The overall framework is assessed on an ongoing basis.

The Group's policy is to refrain from engaging in speculative transactions. Thus, the Group's financial management focuses exclusively on managing financial risks that are a consequence of the Group's operations, investments and financing.

Currency risks

The Group is exposed to exchange rate fluctuations as a result of the individual consolidated enterprises entering into purchase and sales transactions and having receivables and payables denominated in currencies other than their functional currency. Forward exchange contracts are used to ensure that the actual exposure does not exceed the currency exposure limit of the Group.

The Group is using forward contracts to hedge currency risks related to purchase of film rights and sports broadcasting rights. The cumulative value adjustments recognised in other comprehensive income amount to 13.3 million (2022: -2.8 million) before tax, which will be recognised in the income statement during 2024-2028.

27 Financial risks and financial instruments (continued)

As at 31 December 2023, a drop of 5% in the EUR/NOK exchange rate and an increase of 5% in the USD/DKK exchange rate would affect other comprehensive income with -10.4 million (2022: -16.2 million). The sensitivity analysis is based on financial instruments recognised at 31 December and an effectiveness of 100% of hedge accounting.

Translation risks

The Group's primary currency risk exposure is denominated in NOK and relates to the Group's investments in wholly-owned entities and joint ventures, including long-term intra-group loans. As a main rule, these currency risks are not hedged, as ongoing hedging of such long-term investments is not considered to be the best strategy based on overall risk and cost considerations. Due to increase in exchange rate, the equity in 2023 is affected negatively by 48.1 million (2022: negatively by 63.7 million).

A 5% drop in the exchange rates of NOK would have impacted the 2023 profits by about -0.8 million (2022: -1.0 million), and the equity at 31 December 2023 by about -30.1 million (2022: -33.3 million). A positive change in foreign exchange rates would have a reverse impact on profits and equity at end-2023 and end-2022 all other things being equal.

Interest rate risks

As a result of its investment and financing activities, the Group has an exposure related to fluctuations in interest rate levels.

The Group's policy is to hedge interest rate risks relating to loans when it is assessed that interest payments may be secured at a satisfactory level. The Group's interest rate risks are managed by entering into interest swap contracts, with floating-rate loans being converted into fixed-rate interest loans. The principal amount of interest swap contracts concluded by the Group for hedging purposes was 97.8 million at 31 December 2023 and 76.1 million at 31 December 2022. The cumulative fair value adjustments in other comprehensive income amounted to -4.3 million at 31 December 2023 (2022: -6.1 million) before tax, which will be recognised in the income statement over the coming 1-5 years (2022: 1-6 years).

As a result of the Group's use of derivative financial instruments to hedge its interest rate exposure relative to instruments of debt, changes in the fair value of the hedging instruments will impact the Group's reserve for hedging transactions under equity. A one percentage point drop in interest rates would reduce equity by about EUR -3 million. In addition, a 1% interest rate increase will not affect the income statement in any material way, due to the limited amounts of net financial debt (excl. leases) and use of interest rate swaps. Had the interest rate level been 1% higher during 2023, net interest cost in the income statement would have increased by 2 million (2022: 2 million).

Liquidity risks

The Group's liquidity reserve comprises cash and cash equivalents, securities and unutilised credit facilities. To ensure optimum utilisation of cash and cash equivalents, the Group operates with cash pools.

The Group's financing consists primarily of Danish floating-rate mortgage loans expiring in 2039 and 2043 respectively and floating-rate loans denominated in NOK and EUR with the underlying facility having maturity in 2028. The loans are subject to standard covenant reporting.

The Group has net interest-bearing debt of 450.8 million (2022: 495.1 million).

27 Financial risks and financial instruments (continued)

The Group's liabilities other than provisions fall due as shown below. The debt repayment schedule is based on undiscounted cash flows incl. estimated interest payments based on current market conditions:

	Carrying amount	Contractual cash flows	Within 1 year	1 to 5 years	After 5 years
Mortgage debt	111,040	186,735	5,115	20,342	161,278
Other credit institutions	211,561	241,658	56,702	184,956	0
Lease liabilities	176,444	201,663	43,123	130,842	27,699
Trade payables	307,068	307,068	307,068	0	0
Payables to joint ventures and associates	375	375	375	0	0
Non-derivative financial instruments	**806,488**	**937,499**	**412,382**	**336,140**	**188,977**
Derivative financial instruments	19,537	20,438	14,106	5,891	441
31 December 2023	**826,025**	**957,936**	**426,488**	**342,031**	**189,417**
Mortgage debt	111,285	164,123	3,400	13,716	147,007
Other credit institutions	253,481	264,654	179,413	32,845	52,396
Lease liabilities	189,857	219,967	42,722	123,762	53,483
Trade payables	302,918	302,918	302,918	0	0
Payables to joint ventures and associates	191	191	191	0	0
Non-derivative financial instruments	**857,732**	**951,853**	**528,644**	**170,323**	**252,886**
Derivative financial instruments	9,662	10,250	5,037	5,213	0
31 December 2022	**867,394**	**962,103**	**533,681**	**175,536**	**252,886**

The total cash outflow for lease assets amounted to 44.6 million (2022: 41.8 million) of which installment on lease assets amounted to 36.6 million (2022: 33.6 million).

Changes in liabilities arising from financing activities	Non-current borrowings	Non-current lease liabilities	Current borrowings	Current lease liabilities	Total liabilities from financing activities
1 January 2023	347,583	153,869	17,183	35,988	554,623
Cash flows, net	(72,934)	0	32,986	(36,494)	(76,442)
Other *	0	(10,113)	0	39,006	28,893
Foreign exchange adjustments	(758)	(4,916)	(1,460)	(896)	(8,030)
31 December 2023	**273,891**	**138,840**	**48,709**	**37,604**	**499,045**
1 January 2022	167,045	166,846	20,120	19,469	373,480
Adjustments relating to previous years	0	(12,126)	0	12,126	0
Additions through business combinations	2,292	0	5,325	0	7,617
Cash flows, net	178,264	0	(7,788)	(33,019)	137,457
Other *	0	5,319	0	38,562	43,881
Foreign exchange adjustments	(18)	(6,170)	(474)	(1,150)	(7,812)
31 December 2022	**347,583**	**153,869**	**17,183**	**35,988**	**554,623**

* Other includes additions and remeasurement of lease liablities

27 Financial risks and financial instruments (continued)

Credit risks

The Group's credit risks relate primarily to trade receivables and cash and cash equivalents. The Group is not exposed to any significant risks associated with a particular customer or business partner. According to the Group's policy for accepting credit risk, all major customers are regularly credit rated.

Trade receivables:

Lifetime expected loss allowance for group trade receivables is calculated on basis on a simplified approach. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics. The expected loss rates are based on historical credit losses experienced in the last 3 years (2020-2023). The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables on basis of development in corporate insolvencies in the geographical areas.

On that basis, the impairment can be determined as follows:

Trade receivables	2023	2022
Receivables related to third-party sales of goods and services	264,125	235,884
Contract assets	1,536	10,062
Total trade receivables at 31 December	**265,661**	**245,946**

Ageing of trade receivables at 31 December	2023	2022
Not past due	213,226	212,580
Up to 30 days	36,779	24,432
Between 30 and 90 days	8,449	3,487
Over 90 days	7,206	5,447
Total	**265,661**	**245,946**

For certain sales the Group receives collateral. This occurs typically in connection with the distribution of magazines where deposits are received. Trade receivables secured by collateral, with a consequent reduction in overall credit risk, amount to 46,394 (2022: 48,322). In addition, some of the Group's entities take out credit insurance against losses on trade receivables to the extent deemed relevant.

The development in the impairment of trade receivables can be specified as follows:

Development in impairment losses on trade receivables	2023	2022
Impairment at 1 January	5,176	4,676
Foreign exchange adjustments	(139)	(138)
Impairment in the year	822	2,423
Realised losses	(832)	(696)
Unused amounts reversed	(1,264)	(1,089)
Impairment at 31 December	**3,763**	**5,176**

27 Financial risks and financial instruments (continued)

Securities, cash and cash equivalents:
The Group is exposed to counterparty risk through its cooperation with financial counterparties via funds deposited, but also via credit commitments. The Group manages this risk by cooperating with banks with a sound credit rating.

Categories of financial instruments	2023	2022
Financial assets measured at fair value via the income statement	10,202	9,174
Financial assets used as hedging instruments	1,397	5,743
Financial assets measured at amortised cost	406,172	402,432
Financial liabilities measured at fair value via the income statement	0	12,186
Financial liabilities used as hedging instuments	19,537	7,248
Financial liabilities measured at amortised cost	806,488	857,732

The carrying amount of receivables and other financial liabilities (current) is equal to the fair value.

Mortgage debt and debt to other credit institutions (non-current) are floating-rate cash loans, and thus the fair value is in all material aspects equal to the carrying amount.

Derivative financial instruments are valued at fair value on the basis of inputs other than listed prices that are observable for the liability, either directly or indirectly (level 2). Put- and call-options are valued at fair value on basis of expected future discounted cash-flows (level 3).

28 Related parties

Egmont Fonden, as the parent company in the Group, is an enterprice foundation and has no owner with control.

The Egmont Group's related parties with significant influence comprise the foundation's Board of Directors, Management Board and their close relatives, as well as enterprises in which this group of persons has material interests. The compensation paid to the Board of Directors and Management Board is disclosed in note 4.

Related parties with significant influence also comprise joint ventures and associates, see notes 14, 15 and 33.

Transactions with joint ventures and associates:

	2023		2022	
	Joint ventures	Associates	Joint ventures	Associates
Receivables	1,231	3,745	2,457	2,078
Payables	374	1	191	0
Revenue	12,273	0	14,801	0
Interest income	0	0	11	0

29 Deferred income - Contract liabilities

Contract liabilities comprise deferred income amounting to 99.9 million at 31 December 2023 (2022: 117.7 million). Deferred income relate to subscriptions, gift cards, etc.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounts to 112.4 million (2022: 97.6 million).

30 Standards and interpretations not yet adopted

Management has assessed the impact of new or amended accounting standards and interpretations (IFRSs and IFRICs) issued by the IASB and IFRSs endorsed by the European Union effective on or after 1 January 2023. Management assessed that application of these has not had a material impact on the consolidated financial statements for 2023.

Furthermore, Management has assessed the impact of new or amended accounting standards and interpretations (IFRSs and IFRICs) issued by the IASB that have not yet become effective. No new or amended accounting standards or interpretations (IFRSs and IFRICs) have been early adopted. Management does not anticipate any significant impact on the consolidated financial statements in the period of initial application after the adoption of these amendments.

31 Subsequent events

Apart from the events recognised or disclosed in the consolidated financial statements, no events have occurred after the reporting period.

32 Acquisition and divestment of businesses

Acquisitions in 2023

In 2023, the Group has acquired 100 % of the shares in Nordic Social ApS and 100% of the shares in Reload Digital Ltd.

The acquisitions made in 2023 have not impacted revenue nor EBIT materially.

Fair value at acquisition date	Reload Digital Ltd.	Nordic Social ApS	Total
Intangible assets	365	0	365
Other non-current assets	24	0	24
Current assets	720	302	1,022
Current financial liabilities	0	(199)	(199)
Other current liabilities	(692)	(46)	(738)
Identifiable net assets	417	57	474
Goodwill	3,909	735	4,643
Purchase consideration	4,325	792	5,117
Cash and cash equivalents, acquired	(434)	(98)	(532)
Contingent purchase consideration (Earn outs)	(486)	(322)	(808)
Total cash consideration paid	**3,405**	**372**	**3,777**

Transaction costs attributable to the acquisitions are recognised in Other external expenses when incurred, but are immaterial, as the due diligence process was handled inhouse, hence there were no significant external transaction costs in connection with the acquisitions.

Reload Digital Ltd.

The Group acquired 100 % of the shares in Reload Digital Ltd., a premium, multi-service digital marketing agency offering performance marketing, search engine optimization, content, e-mail and consulting services to international and UK retailer brands. The shares were acquired on 1 December 2023.

Goodwill is mainly related to the workforce and the knowhow within the company. Additional adjustments includes the value of customer relationships, which both were recognised as intangible assets.

32 Acquisition and divestment of businesses (continued)

Nordic Social ApS

The Group acquired 100% of the shares in Nordic Social ApS, a digital marketing agency offering services within social media platforms, content production, SoMe strategy, etc. The shares were acquired on 30 June 2023.

Goodwill is mainly related to the workforce and the knowhow within the company.

Other acquisitions in 2023

The Group acquired 100% of the shares in Bamse Forlaget AB, which holds the rights to the 'Bamse' brand. This transaction, however, is not considered a business combination in terms of IFRS 3, hence the acquisition is included as acquisition of trademarks with an amount of 14,391, cf. note 10.

Divestments in 2023

Due to a capital increase in Nitro Games Oyj, where Egmont did not exercise its investment rights, Egmont's ownership was diluted from 50.3% to 26.0% and thus reclassified to associated companies, cf. note 15. The divestment as a consolidated subsidary resulted in a gain of 916 thousands, which is recognized as other operating income.

The impact on revenue and EBIT from the divestment is insignificant.

Acquisitions in 2022

In 2022, the Group has acquired the remaining 69% of the shares in Supermassive Games Ltd. (and now holds 100% of the shares), 100% of the shares in Clio ApS, 100% of the shares in Dotbooks GmbH and 100% of the shares in AndLight ApS. Furthermore, the Group has acquired other businesses for a total of 3.2 million.

The acquisitions made in 2022 have impacted revenue with 47.4 million amounting to 2.3% of the total revenue growth in 2022. Full-year impact on revenue relating to the acquisitions amount to 97.4 million. EBIT for 2022 was impacted with 2.3 million.

Fair value at acquisition date	Super-massive Games Ltd.	Clio ApS	dotbooks GmbH	AndLight ApS	Others	Total
Intangible assets	30,181	12,707	8,095	661	2,177	53,821
Property, plant and equipment	2,386	122	0	55	195	2,758
Other non-current assets	0	65	0	77	45	187
Current assets	30,661	2,652	309	3,061	7,999	44,682
Non-current financial liabilities	(2,292)	0	0	0	0	(2,292)
Other non-current liabilities	(2,342)	0	0	(313)	0	(2,655)
Current financial liabilities	(4,233)	(1,033)	0	0	(57)	(5,323)
Other current liabilities	(8,814)	(8,818)	(2,704)	(2,561)	(7,163)	(30,060)
Identifiable net assets	**45,547**	**5,695**	**5,700**	**980**	**3,196**	**61,118**
Goodwill	36,936	28,307	3,861	9,127	8,998	87,229
Minority interest	0	0	0	0	(608)	(608)
Purchase consideration	**82,483**	**34,002**	**9,561**	**10,107**	**11,586**	**147,739**
Cash and cash equivalents, acquired	(5,614)	0	227	(189)	(2,895)	(8,471)
Contingent purchase consideration (Earn outs)	(4,872)	0	0	(4,901)	0	(9,772)
Fair value of existing share of net assets in connection with step-acquisitions	(20,581)	0	0	0	(5,545)	(26,126)
Total cash consideration paid	**51,416**	**34,002**	**9,789**	**5,017**	**3,146**	**103,370**

32 Acquisition and divestment of businesses (continued)

Transaction costs attributable to the acquisitions are recognised in Other external expenses when incurred, but are immaterial, as the due diligence process was mainly handled inhouse, hence there were no significant external transaction costs in connection with the acquisitions.

Supermassive Games Ltd., United Kingdom
The Group acquired the remaining 69 % of the shares (and now holds 100 % of the shares) in Supermassive Games Ltd., one of the larger gaming studios in United Kingdom with appox. 300 employees. Supermassive is specialised in narrative games especially within the horror genre, where it is one of the market leaders, and have sold millions of games and won several awards. The company has great success of creating high quality games for other companies (Work for Hire) as well as co-financing with publishers where Supermassive retains the IP. The shares were acquired from the founders on 8 July 2022.

Goodwill is mainly related to the workforce and the knowhow within the company. Additional major adjustments includes the trademark Supermassive and value of The Quarry (an interactive movie horror game), which both were recognised as intangible assets.

Clio Aps, Denmark
The Group acquired 100 % of the shares in Clio ApS, a leading provider of digital learning (Platform and Content) for educational institutions in the primary school market. The company operates primarily from the headquater in Copenhagen and secondly from Stockholm, where it has a growing presence. The shares were acquired from the corporate venture capital firm Bonnier Capital AB on 9 August 2022.

Goodwill is mainly related to the synergy aspects of the operational integration with Lindhardt og Ringhofs digital learning platform. Additional major adjustments includes contract rights and customer relationships, which were recognised as intangible assets.

dotbooks GmbH, Germany
The Group acquired 100 % of the shares in dotbooks GmbH, a German publishing house, almost exclusively publishing e-books, with headquarters in Munich. dotbooks was founded in 2012 and was one of the first German e-book publishers. Today the Company operates as the largest independent e-book publisher in Germany and hold appr. 14% of the German e-book market. The shares were acquired from the founders as well as a venture capital investor on 5 July 2022.

Rights to sell e-books and digital books as well as goodwill were recognised as intangible assets. Goodwill is mainly related to the workforce and the knowhow within the company related to the management as well as the skills of the general workforce.

AndLight ApS, Denmark
The Group acquired 100 % of the shares in Andlight ApS, a Danish E-commerce player within the lightning segment. AndLight ApS operates from its headquarters in Copenhagen and has both domestic and international presence. The entity operates an e-commerce shop as well as a physical outlet. The shares were acquired from the founder and the company partners on 2 May 2022.

Goodwill is mainly related to the workforce and the knowhow within the lighting segment. Goodwill and the trademark AndLight were recognised as intangible assets.

32 Acquisition and divestment of businesses (continued)

Other acquisitions in 2022

In 2022, Story House Egmont acquired 51% of the shares in Dazy AB (a Swedish full service digital marketing agency) in order to continue to further strengthen the agency position in Sweden. Lindhardt & Ringhof Forlag A/S acquired a further 24% of the shares in Praxis Forlag A/S (and now has a majority share of 75%) in order to continue to further strengthen the position within teaching materials for the upper secondary educational market. Story House Egmont acquired 25.4% of the shares in MarkedsPartner AS (and now has a majority share of 50,3%) and continues its venture into digital marketing.

Divestments in 2022

No divestments of subsidiaries in 2022

33 Group entities

Unless otherwise stated, the entities are owned by 100 %

* Entities owned directly by Egmont Fonden.

** Entities which do not prepare official annual reports.

*** Due to voting rights and/or specific sections in the shareholders' agreements, Egmont does not have control despite owning above 50 % of the shares in the entities.

SUBSIDIARIES

Country	Entity	Registered office	Ownership share 2023	Ownership share 2022
Denmark	Egmont International Holding A/S *	Copenhagen		
	Clio ApS *(Merged with Lindhardt og Ringhof Forlag A/S)*	Copenhagen	-	
	Story House Egmont A/S	Copenhagen		
	Egmont Printing Service A/S	Copenhagen		
	Egmont Creative Solutions A/S	Copenhagen		
	GoShopping ApS *Bagaren och Kocken AB owns*	Herning		
	Unique Models of Copenhagen A/S	Copenhagen	60 %	60 %
	s360 A/S	Aarhus	53.5 %	50.5 %
	Nordic Social ApS (Merged with s360 A/S)	Copenhagen	-	-
	Drive Studios ApS	Copenhagen	80.84 %	71.15 %
	Flashbulb ApS	Copenhagen		
	Helion B2B A/S *Helion B2B Group ApS owns*	Copenhagen	94 %	100 %
	Helion B2B Group ApS *s360 A/S owns*	Aarhus	62.5 %	62.5 %
	GoTutor Denmark ApS	Copenhagen	60 %	60 %
	Ingager ApS *Ingager AB owns*	Copenhagen	100 %	100 %
	Nordisk Interactive A/S	Copenhagen		
	Lindhardt og Ringhof Forlag A/S	Copenhagen		
	Nordisk Film A/S	Copenhagen		
	Nordisk Film Distribution A/S	Copenhagen		
	Nordisk Film Shortcut A/S	Copenhagen		
	Nordisk Film Production A/S	Copenhagen		
	Nordisk Games A/S	Copenhagen		
	Nordisk Film Biografer A/S	Copenhagen		
	Nicehair ApS	Esbjerg		
	AndLight ApS	Copenhagen		
	Lumenli ApS *(Merged with AndLight ApS)*	Copenhagen	-	
	Ordblindetræning ApS	Esbjerg	51 %	51 %
	Palads Biografen A/S	Copenhagen		
	Praxis Forlag A/S	Copenhagen	75 %	75 %
	GoGift.com A/S	Copenhagen		
	Kino.dk A/S	Copenhagen	74 %	74 %
	Nordisk Film Bridge Finance A/S	Copenhagen		

33 Group entities (continued)

SUBSIDIARIES

Country	Entity	Registered office	Ownership share 2023	Ownership share 2022
Denmark	Dansk Reklame Film A/S	Copenhagen		
	Egmont Administration A/S	Copenhagen		
	Egmont Svensk Finansiering A/S	Copenhagen		
	Egmont Finansiering A/S	Copenhagen		
	Egmont Investering A/S	Copenhagen		
	Egmont Investering 2 A/S	Copenhagen		
	Ejendomsselskabet Vognmagergade 11 ApS *	Copenhagen		
	Ejendomsselskabet Gothersgade 55 ApS *	Copenhagen		
	MBG Sleeping Egmont A/S **	Copenhagen		
	VPH Sleeping Egmont ApS **	Copenhagen		
	4 + 1 ApS	Hvidovre	20%	20%
Netherlands	s360 Digital NL B.V. *s360 A/S owns*	Amsterdam	85%	85%
Norway	The Brand AS	Oslo	50%	50%
	Core Content AS	Oslo	50%	50%
	Drammen Kino AS	Drammen	66.7%	66.7%
	Egmont Holding AS	Oslo		
	Egmont Kids Media Nordic AS	Oslo		
	Story House Egmont AS	Oslo		
	Fagmedia AS	Oslo		
	Fjellsport Group AS *(Merged with Fjellsport AS)*	Sandefjord	-	
	Outnordic Invest AB owns		-	100%
	Fjellsport AS	Sandefjord	97%	
	Garnius AS	Haugesund	51%	51%
	Markedspartner AS *StoryCo AS A/S owns*	Grålum	76.29%	77.2%
	Nordisk Film AS	Oslo		
	Nordisk Film Distribusjon AS	Oslo		
	Nordisk Film ShortCut AS	Oslo	66%	66%
	Nordisk Film Production AS	Oslo		
	Nordisk Interactive AS	Oslo		
	Nordiske Fagmedier AS	Oslo	75%	75%
	S360 Norge AS *s360 A/S owns*	Moss	66.23%	63.72%
	Indent AS *S360 Norge AS owns*	Moss	90%	100%
	Skitt Fiske AS *(Merged with Fjellsport AS)*	Sandefjord	-	80%
	StoryCo AS	Oslo	65.22%	65.22%
	Filmweb AS	Oslo	64.3%	64.3%
	Nordisk Film Kino AS	Oslo		
	Media Direct Norge AS	Oslo		
	TV 2 Gruppen AS	Bergen		

33 Group entities (continued)

SUBSIDIARIES

Country	Entity	Registered office	Ownership share 2023	Ownership share 2022
Norway	TV 2 AS	Bergen		
	TV 2 Skole AS	Bergen		
	Nydalen Studios AS	Oslo		
	Broom.no AS	Oslo		
	Broommarked AS	Oslo		
	RiksTV AS	Oslo		
	Electric Friends AS	Oslo	99.36%	99.36%
	Eventyrkanalen AS	Bergen		
	Vimond Media Solutions AS	Bergen		
	Wolftech Broadcast Solutions AS	Bergen	91%	91%
	TV 2 Invest AS	Fredrikstad		
	Screen Story AS	Stavanger	90.2%	90.2%
	Screen Story Film og TV AS *Screen Story AS owns*	Stavanger	100%	100%
	Aventia Media AS	Nøtterøy	68%	68%
	Cappelen Damm AS	Oslo		
	Tanum AS	Oslo		
	Sentraldistribusjon AS	Oslo		
	Bazar Forlag AS	Oslo		
	Ex Libris Forlag AS	Oslo		
	Flamme Forlag AS	Oslo		
	N.W. Damm & Søn AS	Oslo		
Sweden	Egmont Holding AB	Malmö		
	L&R Education Sverige AB *(Liquidated)*	Stockholm	-	
	Egmont Story House AB	Malmö		
	Belong Agency Sweden AB *Kanmalmo AB owns*	Stockholm	100%	100%
	Ingager AB	Stockholm	60.28%	60.28%
	Bagaren och Kocken AB	Gothenburg		
	Kanstockholm AB *Kanmalmo AB owns*	Stockholm	51%	51%
	DS Productions AB *Drive Studios A/S owns*	Stockholm	100%	100%
	Outnordic Invest AB	Växjö		
	Outnorth AB	Växjö		
	Nordisk Film Sverige AB	Stockholm		
	Nordisk Film Distribution AB	Stockholm		
	Nordisk Film Interactive AB	Stockholm		
	Nordisk Film Production Sverige AB	Stockholm		
	Royal Design Group Holding AB	Kalmar		
	Royal Design Group AB	Kalmar		
	Fatalist Partners AB	Stockholm		
	Fatalist Holdings AB	Stockholm		

33 Group entities (continued)

SUBSIDIARIES

Country	Entity	Registered office	Ownership share 2023	Ownership share 2022
Sweden	Fatalist Tecnologies AB	Stockholm		
	Fatalist Development AB	Stockholm		
	Fatalist Production 2 AB	Stockholm		
	Fatalist Production 3 AB	Stockholm		
	Fatalist Production 4 AB	Stockholm		
	Fatalist Production 5 AB	Stockholm		
	Systemic Reaction AB	Stockholm		
	Expansive Worlds AB	Stockholm		
	Nordisk Film Biografer Sverige AB	Stockholm		
	Kanmalmo AB	Malmö	59.56%	59.56%
	Klintberg Niléhn Media AB	Stockholm	60%	60%
	S360 AB *s360 A/S owns*	Stockholm	75%	75%
	Winston Delta Charlie AB *Kanstockholm AB owns*	Stockholm	100%	100%
	Bamse Förlaget AB	Helsingborg		–
Finland	Egmont Holding Oy/Egmont Holding Ab	Helsinki		
	Oy Nordisk Film Ab	Helsinki		
	Oy Nordisk Interactive Ab	Helsinki		
	Nordic XR Startups Oy *Oy Nordisk Film Ab owns*	Helsinki	60%	60%
	search360 OY *s360 A/S owns*	Helsinki	75%	75%
Germany	dotbooks GmbH	Munich		
	Egmont Holding GmbH	Berlin		
	Egmont Ehapa Media GmbH	Berlin		
	Egmont Verlagsgesellschaften mbH	Berlin		
	Mitte-Editionen GmbH	Berlin		
	Egmont Ehapa Rights Management GmbH	Berlin		
	Egmont Ehapa Comic Collection GmbH	Berlin		
	Ingager GmbH *Ingager AB owns*	Berlin	100%	100%
	GoGift GmbH	Frankfurt am Main		–
United Kingdom	Avalanche Studios Group Ltd.	London		
	Egmont Holding Ltd.	London		
	Story House Egmont Ltd.	London		
	Egmont Publishing Ltd.	London		
	Reload Digital Ltd. *s360 A/S owns*	London	100%	–
	S360 Digital UK Ltd. *s360 A/S owns*	London	100%	100%
	Supermassive Games Ltd.	Hampshire		
	Starshape Games Ltd.	Hampshire		

33 Group entities (continued)

SUBSIDIARIES

Country	Entity	Registered office	Ownership share 2023	Ownership share 2022
United Kingdom	Supermassive Games 1 Ltd.	Hampshire		
	Supermassive Games 2 Ltd.	Hampshire		
	Supermassive Games 3 Ltd.	Hampshire		
Poland	Story House Egmont sp. z o.o.	Warsaw		
Estonia	Egmont Estonia AS	Tallinn		
Latvia	Egmont Latvija SIA	Riga		
Lithuania	UAB Egmont Lietuva	Vilnius		
Bulgaria	Egmont Bulgaria EAD	Sofia		
Croatia	Egmont d.o.o.	Zagreb		
USA	Vimond Media Solutions Inc.	New York		
	Avalanche Studios New York Inc.	New York		
	Egmont U.S. Inc.	Delaware		
	Ideals Publishing Corporation	Delaware		
China	Egmont Sourcing Hong Kong Ltd.	Hong Kong		
Australia	Vimond Media Solutions Apac Pty Ltd	Sydney		
Canada	Avalanche Studios Montréal Inc.	Montréal		

JOINT VENTURES

Country	Entity	Registered office	Ownership share 2023	Ownership share 2022
Denmark	Med24.dk ApS	Løkken	49 %	49 %
	RK af 2018 P/S	Copenhagen	50 %	50 %
	Komplementarselskabet RK af 2018 ApS	Copenhagen	50 %	50 %
	I/S Ugebladsdistribution **	Albertslund	50 %	50 %
Norway	Allvit AS	Oslo		
	Cappelen Damm AS owns		50 %	50 %
	Storytel AS	Oslo		
	Cappelen Damm AS owns		50 %	50 %
	Maipo Film AS	Oslo	50.1 %	50.1 %
	Destinasjon Glede AS	Oslo		
	Core Content AS owns		-	50 %
Finland	Solar Films Inc Oy	Helsinki	50.1 %	50.1 %
	Story House Egmont Oy Ab	Helsinki	50 %	50 %
China	Children's Fun Publishing Company Ltd.	Beijing	49 %	49 %

33 Group entities (continued)

ASSOCIATES

Country	Entity	Registered office	Ownership share 2023	Ownership share 2022
Denmark	Feb-Company 2022 ApS (Under konkurs) *(Dissolved)*	Copenhagen	-	35.63%
	Zentropa Folket ApS ***	Hvidovre		
	Nordisk Film A/S owns		50%	50%
	4 + 1 ApS owns		10%	10%
	Ackermann Kommunikation ApS	Copenhagen		
	s360 A/S owns		32%	-
	Labrador CMS Danmark ApS	Copenhagen		
	Labrador CMS AS owns		100%	-
Finland	Nitro Games Oyj	Kotka	26.09%	50.37%
Germany	DRIVE beta GmbH	Berlin		
	Drive Studios ApS owns		49%	49%
Norway	Bladcentralen AS	Hagan		
	Cappelen Damm AS owns		20%	20%
	Story House Egmont AS owns		20%	20%
	Bokbasen AS	Oslo		
	Cappelen Damm AS owns		15%	15%
	Sentraldistribusjon AS owns		10%	10%
	Fantefilm AS	Oslo	28.5%	28.5%
	Jollyroom AS	Sandefjord		
	Jollyroom Group AB owns		100%	100%
	KinoSør AS	Kristiansand	49%	49%
	My Game AS	Oslo	27.53%	28.7%
	Norges Televisjon AS	Oslo	50%	50%
	The Oslo Company AS	Oslo	20%	20%
	Labrador CMS AS	Oslo	36.11%	45.05%
Spain	Mercury Steam Entertainment S.L.	Madrid	40%	40%
Sweden	Star Stable Entertainment AB ***	Stockholm	56.91%	56.91%
	Stella Nova Film AB	Stockholm	25%	25%
	Jollyroom Group AB	Mölndal	48.98%	48.98%
	Jollyroom AB	Mölndal		
	Jollyroom Group AB owns		100%	100%
	Motorrad Nordic AB	Solna	44%	44%
	Okto AB	Stockholm		
	Egmont Story House AB owns		40%	40%
United Kingdom	Wendy Promotion Ltd	London	50%	50%

Statement by the Board of Directors and Management Board

The Board of Directors and Management Board have today discussed and approved the annual report of Egmont Fonden for the financial year 1 January – 31 December 2023.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, as adopted by the EU, and additional requirements of the Danish Financial Statements Act. The financial statements of Egmont Fonden have been prepared in accordance with the Danish Financial Statements Act and the financial reporting requirements of the Foundation's Charter.

In our opinion, the consolidated financial statements and the Foundation's financial statements give a true and fair view of the Group's and the Foundation's financial position at 31 December 2023, and of the results of the Group's and the Foundation's operations and the consolidated cash flows for the financial year 1 January – 31 December 2023.

Furthermore, in our opinion, the Management's review gives a fair review of the development in the Group's and the Foundation's activities and financial matters, the net profit for the year and the Group's and the Foundation's financial position.

Copenhagen, 6 March 2024

MANAGEMENT BOARD:

Steffen Kragh
President and CEO

Hans J. Carstensen

BOARD OF DIRECTORS:

Merete Eldrup
Chair

Tom Knutzen
Vice Chair

Jesper Lyders Andersen

Josh Bottomley

Martin Enderle

Rebekka Glasser Herlofsen

Peder Høgild

Anna von Lowzow

Christian Wegner

EGMONT

Independent Auditor's Report

TO THE BOARD OF DIRECTORS OF EGMONT FONDEN

OPINION

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2023 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Foundation Financial Statements give a true and fair view of the Foundation's financial position at 31 December 2023 and of the results of the Foundation's operations for the financial year 1 January to 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Foundation Financial Statements of Egmont Fonden for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including material accounting policy information, for both the Group and the Foundation, as well as statement of comprehensive income and cash flow statement for the Group ("financial statements").

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Foundation Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards

as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Foundation Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Foundation or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Foundation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Foundation's ability to continue as a going concern. If we conclude

that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 6 March 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Lars Baungaard
State Authorised
Public Accountant
mne23331

Rasmus Friis Jørgensen
State Authorised
Public Accountant
mne28705

Income Statement of Egmont Fonden

(EURk)

Note		2023	2022
	Royalty income, etc.	1,002	1,091
2	Personnel expenses	(142)	(164)
	Other external expenses	(396)	(412)
	Operating profit	**464**	**515**
	Dividends from investments in subsidiaries	19,439	26,162
7	Financial income	5,774	1,679
7	Financial expenses	(43)	(119)
	Profit before tax	**25,634**	**28,237**
3	Tax on profit for the year	(100)	(67)
	Net profit for the year	**25,534**	**28,170**
	Distribution of net profit:		
	Transfer to charitable fund	10,000	0
	Transfer to liquid reserve fund	15,534	28,170
	Total	**25,534**	**28,170**

Statement of Financial Position of Egmont Fonden at 31 December

(EURk)

Note	Assets	2023	2022
4	Investments in subsidiaries	181,252	181,652
5	Loans to group enterprises	87,214	0
	Financial assets	**268,466**	**181,652**
	Total non-current assets	**268,466**	**181,652**
5	Loans to group enterprises	0	87,407
	Receivables from group enterprises	52,263	39,906
	Other receivables	1,655	2,169
	Receivables	**53,918**	**129,482**
	Securities	**629**	**631**
	Cash and cash equivalents	**10**	**14**
	Total current assets	**54,557**	**130,127**
	TOTAL ASSETS	**323,023**	**311,779**

Equity and liabilities	2023	2022
Capital fund	29,519	29,583
Reserve fund	214,926	215,401
Charitable fund	22,847	12,875
Liquid reserve fund	39,107	38,514
Total equity	**306,399**	**296,373**
Trade payables	683	1,369
Payables to group enterprises	31	145
Donations committed but not yet paid	12,689	10,246
Other payables	3,221	3,646
Current liabilities	**16,624**	**15,406**
Total liabilities	**16,624**	**15,406**
TOTAL EQUITY AND LIABILITIES	**323,023**	**311,779**

1 Accounting policies
6 Basis of distribution
7 Related parties

Statement of Changes in Equity of Egmont Fonden

(EURk)

				Liquid reserve fund		
	Capital fund	Reserve fund	Charitable fund	Use according to articles 6-10	Use according to article 11	Total equity
Equity at 1 January 2023	**29,583**	**215,401**	**12,875**	**34,878**	**3,636**	**296,373**
Foreign exchange adjustments	(64)	(475)	(28)	(80)	(8)	(655)
Transfer from distribution of net profit	0	0	10,000	14,009	1,525	25,534
Used for charitable purposes	0	0	0	(12,423)	(938)	(13,361)
Costs	0	0	0	(1,418)	(74)	(1,492)
Equity at 31 December 2023	**29,519**	**214,926**	**22,847**	**34,966**	**4,141**	**306,399**
Equity at 1 January 2022	**29,583**	**215,400**	**12,875**	**21,724**	**1,832**	**281,414**
Foreign exchange adjustments	0	1	0	8	1	10
Transfer from distribution of net profit	0	0	0	25,353	2,817	28,170
Used for charitable purposes	0	0	0	(10,744)	(940)	(11,684)
Costs	0	0	0	(1,463)	(74)	(1,537)
Equity at 31 December 2022	**29,583**	**215,401**	**12,875**	**34,878**	**3,636**	**296,373**

1 Accounting policies

The financial statements of Egmont Fonden have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class C enterprises (large) and the financial reporting requirements of the Foundation's Charter.

The accounting policies applied in the presentation of the financial statement are consistent with those of the previous year.

No cash flow statement has been included for Egmont Fonden, as reference is made to the consolidated cash flow statement.

Fees to auditors is disclosed in note 25 in the consolidated financial statements.

The accounting policies of Egmont Fonden deviate from the Group's accounting policies in the following areas:

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where the recoverable amount is lower than cost, write-downs are made to this lower value.

Dividends

Dividends from investments in subsidiaries are recognised in the profit and loss statement in the financial year in which the dividend is declared, typically at the time when the general meeting approves the distribution of dividend by the relevant company.

Dividends exceeding the accumulated income from the subsidiaries in the ownership period are deducted in the cost price.

Equity

Profit is distributed according to the Foundation's Charter. The Charitable Activities' donations and associated expenses are charged directly to the liquid reserve fund under equity.

The foundation's equity consists of a capital fund and a reserve fund intended for the Commercial Activities. The capital fund is an undistributable reserve, while the reserve fund can only be distributed if it exceeds the consolidation requirements in the Foundation's Charter. The charitable fund serves to ensure the existence of funds required for Egmont Fonden's Charitable Activities. The liquid reserve fund is the amount which is to be used for charitable purposes under the Foundation's Charter within the scope of the Charitable Activities. The total of the charitable fund and the liquid reserve fund represent the Foundation's basis of distribution.

In the calculation of tax, due allowance is made for the deductibility of charitable donations made according to the Charter of Egmont Fonden. These are charged to equity. Tax provisions for future donations are also taken into account. Provision for deferred tax is made in case Egmont Fonden does not expect to use liquid funds for charitable purposes equal to the tax provisions.

2 Personnel expenses

	2023	2022
Wages and salaries	(142)	(164)

Compensation to the Board of Directors amounted to 250 in 2023 (2022: 238), of which 129 (2022: 125) was included in the costs of the Charitable Activities.

The Management Board of the foundation is also employed by Egmont International Holding A/S, which pays all salaries to the Management Board. This administration is covered by an administrative fee to Egmont International Holding A/S.

References is also made to note 4 to the consolidated financial statements.

3 Tax on profit for the year

	2023	2022
Royalty tax paid	(100)	(67)

Tax on profit for the year consists of royalty tax.

4 Investments in subsidiaries

	2023	2022
Cost at 1 January	181,652	181,654
Foreign exchange adjustments	(400)	(2)
Cost at 31 December	**181,252**	**181,652**

For a list of subsidiaries please see note 33 in the consolidated financial statement.

5 Loans to group enterprises

	2023	2022
Cost at 1 January	87,407	87,408
Foreign exchange adjustments	(193)	(1)
Cost at 31 December	**87,214**	**87,407**

6 Basis of distribution

	2023	2022
Balance at 1 January	51,389	36,431
Exchange change adjustments	(116)	9
Used for charitable purposes	(13,361)	(11,684)
Costs	(1,492)	(1,537)
Transfer from distribution of net profit	25,534	28,170
Balance at 31 December	**61,954**	**51,389**

7 Related parties

Related parties are defined as Egmont Fonden's Board of Directors and Management Board, close family members of those persons, as well as Egmont Fonden's subsidiaries, associates and joint ventures.

Related parties also comprise companies controlled or jointly controlled by the aforementioned persons.

There is a duality of membership between the Board of Directors and Management Board of Egmont Fonden and Egmont International Holding A/S.

Egmont Fonden receives royalty income and dividends from subsidiaries. Egmont Fonden pays for rent and administrative services delivered by subsidiaries. Egmont Fonden receives interest on loans to subsidiaries. Related party transactions are made on arm's length terms.

The compensation paid to the Board of Directors and Management Board is disclosed in note 4 in the consolidated financial statement.

Trading with subsidiaries	2023	2022
Service fee	129	138
Rent	(78)	(74)
Acquisition of services	(67)	(87)
Interest, subsidiaries (net income)	4,529	1,568

Capital transactions and balances with subsidiaries at 31 December	2023	2022
Dividends from group enterprises	19,439	26,162
Loans to group enterprises	87,214	87,407
Receivables from group enterprises	52,263	39,906
Payables to group enterprises	(31)	(145)

Sustainability Report | 2023

EGMONT

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Egmont's Sustainability Report provides detailed information on sustainability and our responsible business behaviour. The Sustainability Report serves as a supplementary document to the United Nations Global Compact Communication on Progress (CoP), which will be submitted in 2024 through the CoP digital platform. This report includes Egmont's mandatory, non-financial reporting in accordance with article 99a and Egmont's statement on data ethics in accordance with article 99d of the Danish Financial Statements Act (Årsregnskabsloven).

Words from our CEO

As a leading media company with a dual mission of telling stories important to society and helping the next generation through our social work, Egmont has a longstanding commitment to being a responsible company. We work closely with our manufacturers and partners to ensure that we adhere to the UN Global Compact principles on human and labour rights, anti-corruption, and environment. We take action across our business and value chain to deliver on our commitments, manage our most material issues, and enhance our positive contribution to society.

During 2023, we have continued to work on *Go Greener*, which is the framework for Egmont's strategic climate and environmental focus. We will do our part to ensure a more sustainable planet for future generations.

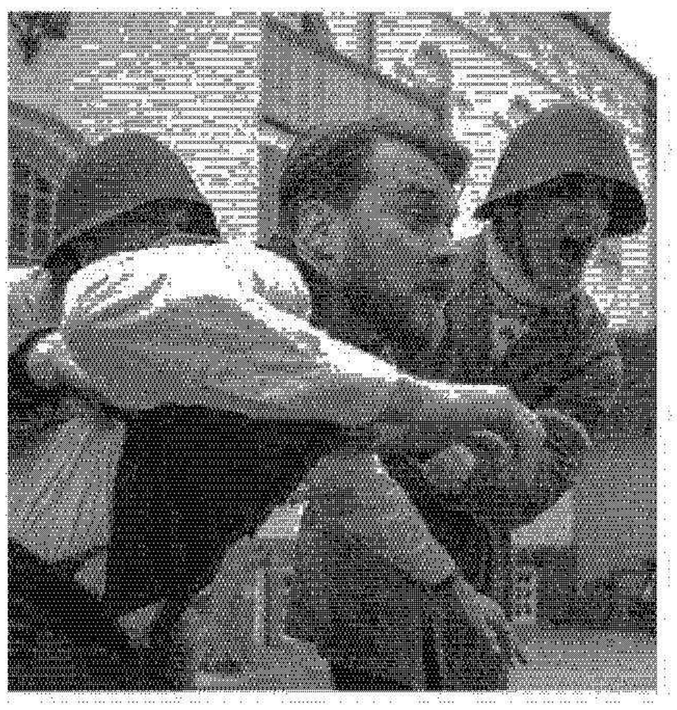
Since 2022, Egmont has reached its goal of 100% green electricity by matching our electricity consumption with 100% renewable electricity. In July 2023, our co-investment in a solar park in Denmark became operational, and is expected to add an annual capacity of around 70,000 MWh of renewable electricity to the Danish grid of which 11,600 MWh is sold to Egmont. In October 2023, Egmont invested in a solar park in southern Sweden which will add around 11,000 MWh of renewable electricity to the grid annually. The solar parks will cover approximately 2/3 of Egmont's electricity consumption.

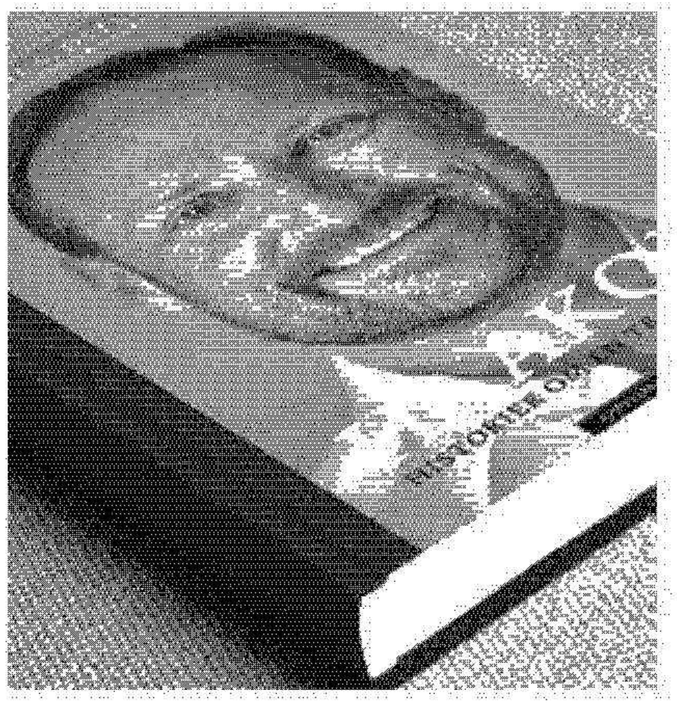
We have set targets for reducing our carbon emissions for key scope 3 categories in two of our divisions. We will also take wider responsibility for the impact of our businesses on the climate and will set targets for scope 1, 2 and 3 aligned with the Paris Agreement.

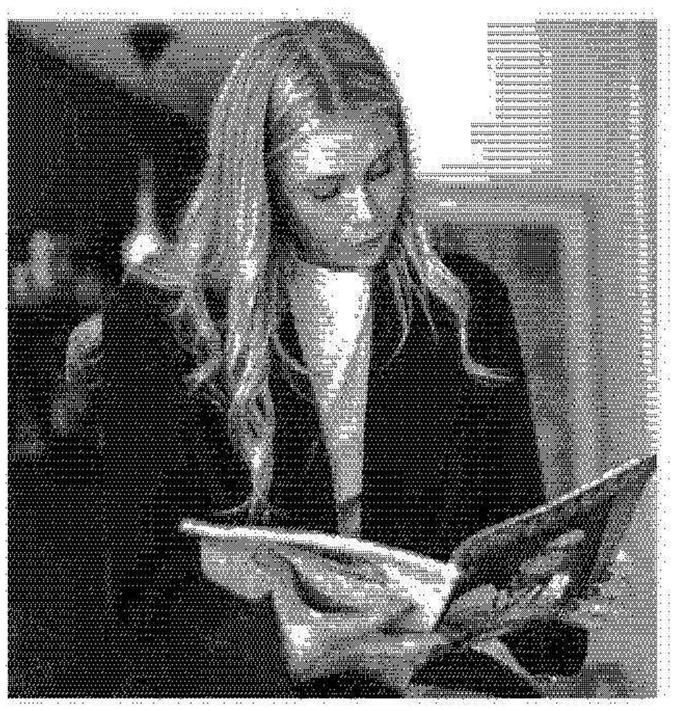
This report describes how we have progressed with our social, ethical, and climate efforts to make sure that we continue to be a responsible company.

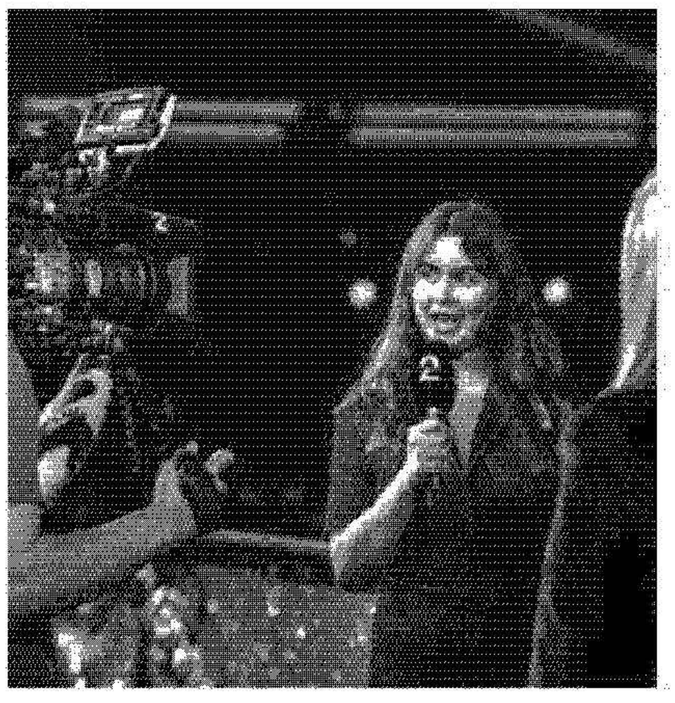
Steffen Kragh
President & CEO of Egmont

Egmont at a glance









Egmont is a leading Nordic media group with a dual purpose. Every day we bring stories to life, and we empower children and young people at risk to pursue a good life.

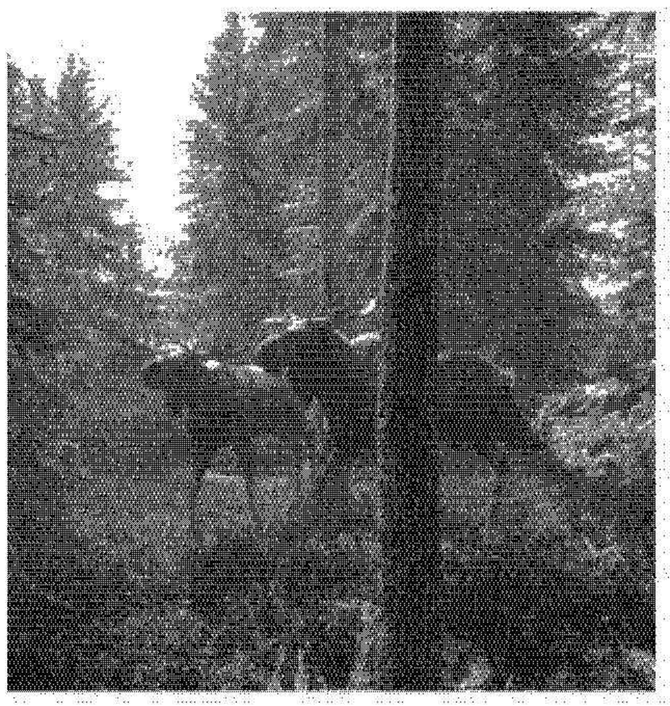
Our stories matter to people and society. From entertaining to in-depth, from paper to screens, from 24/7 news to Oscar winners. We are driven by the stories that touch our hearts, enlighten, educate, inspire, create communities and push for change.

With a strong entrepreneurial spirit in our DNA, we are constantly looking for new ways to share what is important to us. Today, we are more than 50 innovative companies and brands that cover books, TV, magazines, movies, games, cinemas, education, e-commerce, and agencies. We are behind great companies such as Nordisk Film, Story House Egmont, TV 2 in Norway, Lindhardt og Ringhof, and Cappelen Damm.

Our own story is about taking responsibility and giving back to society. As a commercial foundation, we have spent part of our profits to help others for more than 100 years. In 2023, we donated 14.9 million EUR to support children and young people in completing an education and pursuing a good life.

Our commitment means that we will invest heavily in content and continue to improve our sustainability performance.

See our Annual Report for more information on our business and financials at: https://www.egmont.com/key-figures-reports



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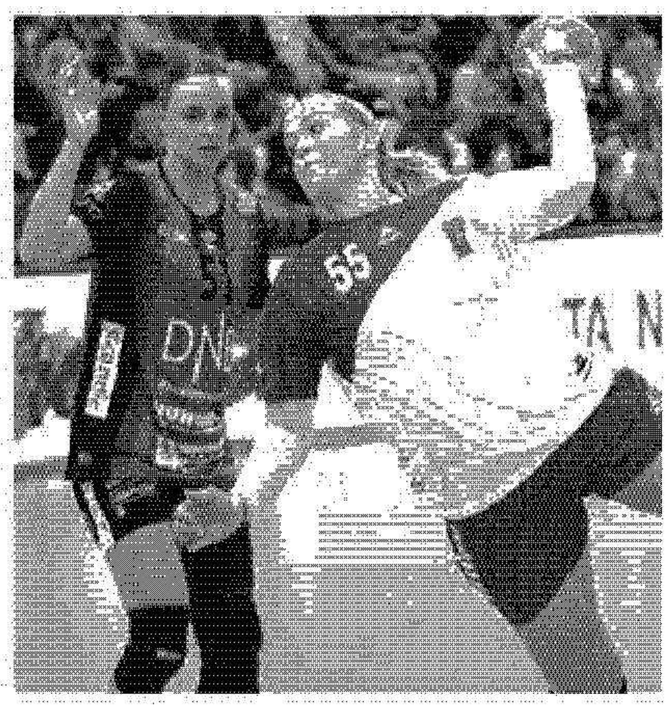

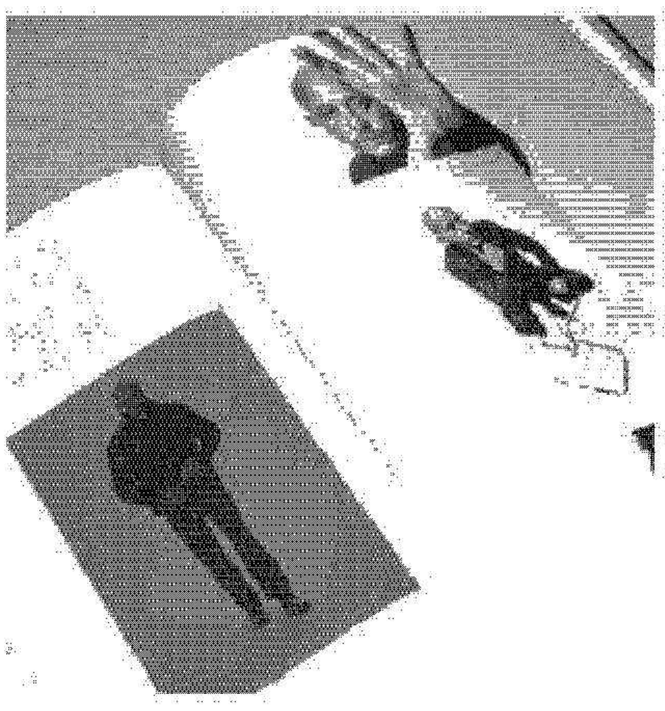

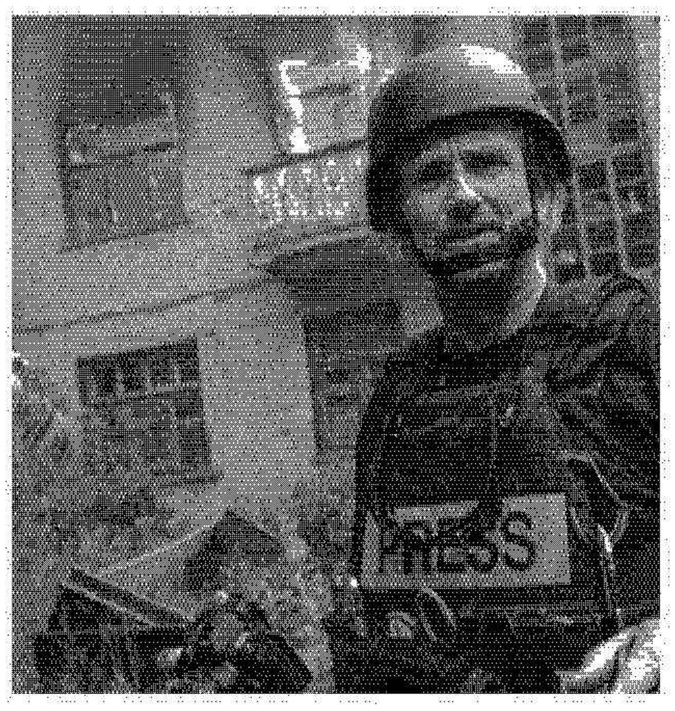
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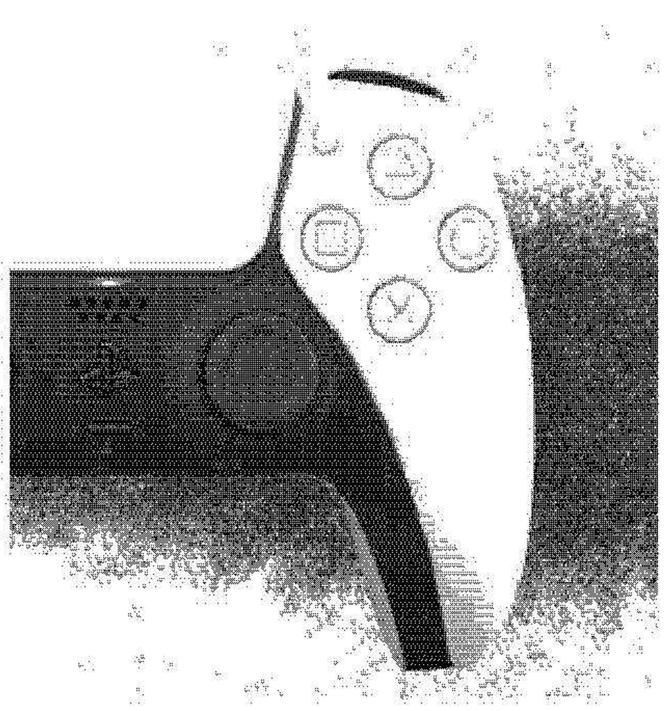

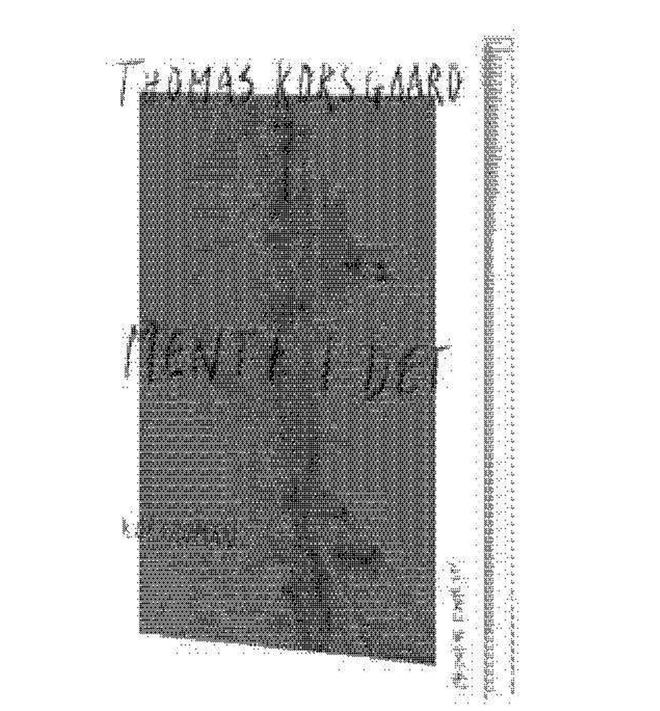
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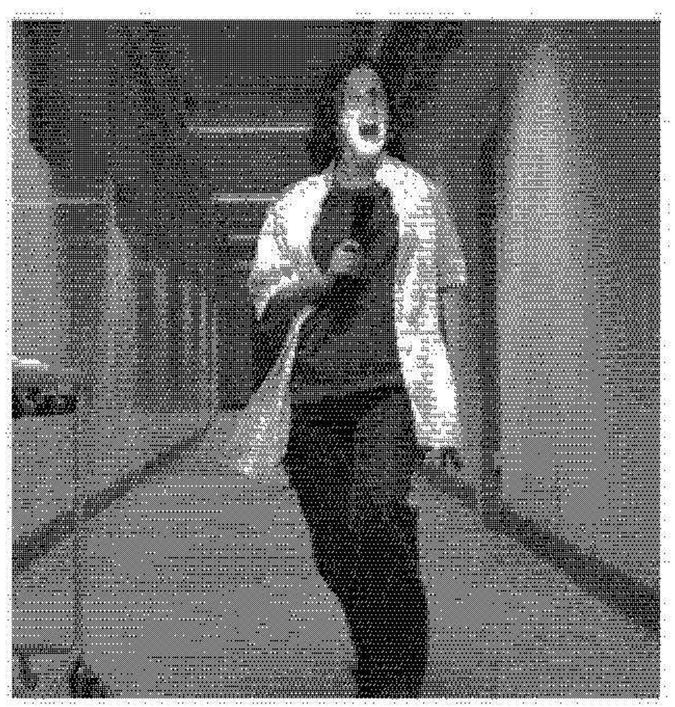
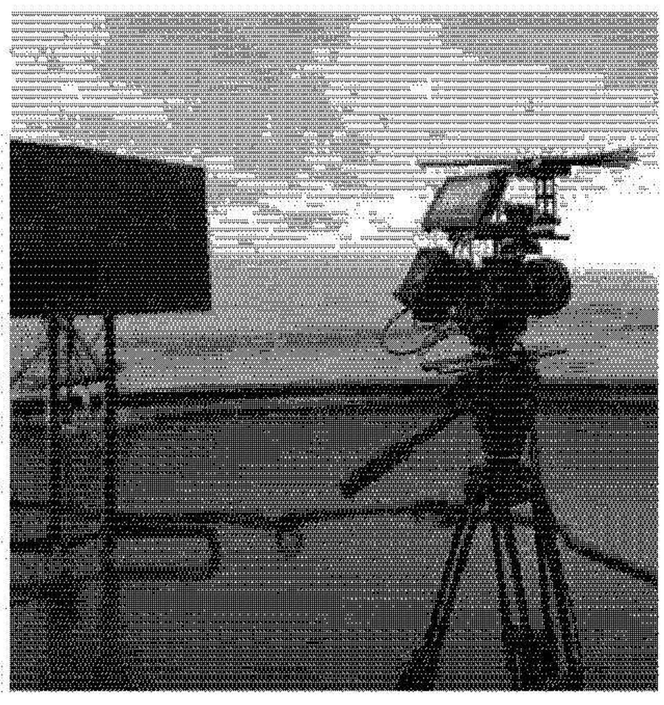
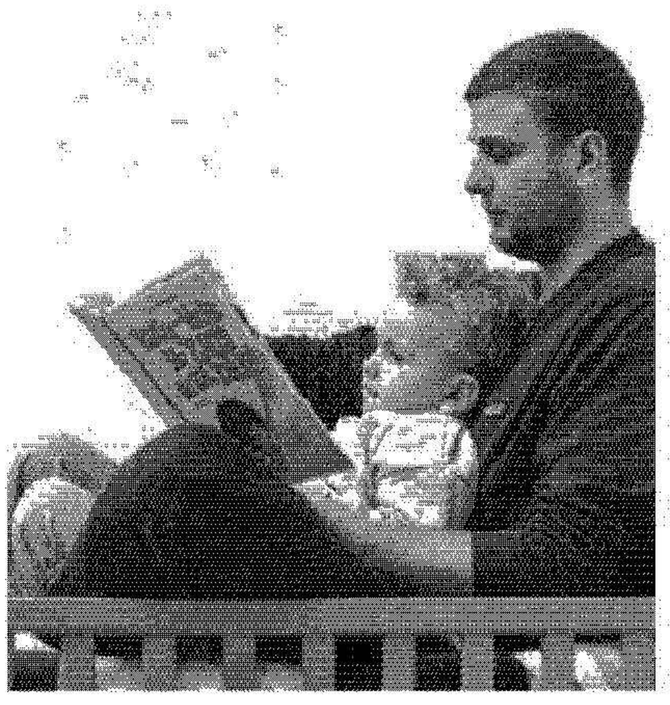
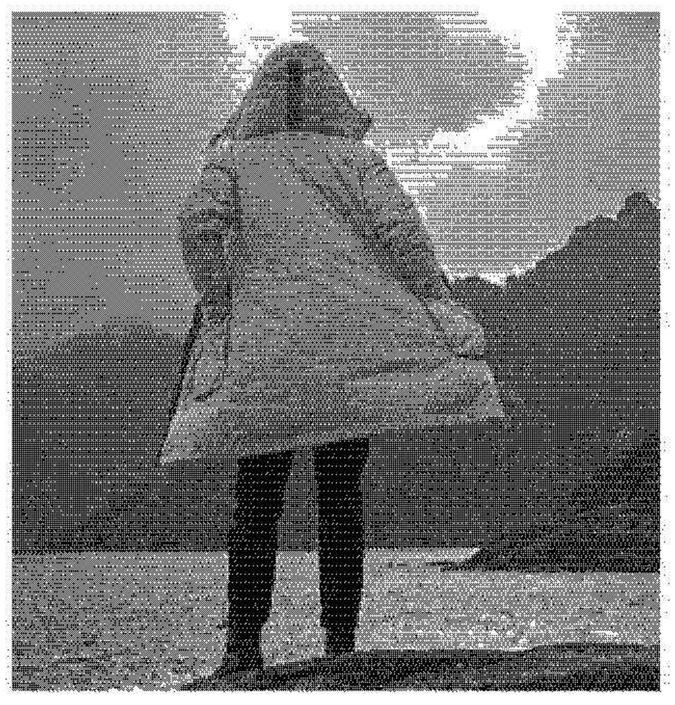








Our approach to sustainability

Egmont wants to contribute to sustainable development, which includes targeted efforts to reduce greenhouse gas (GHG) emissions, develop non-plastic packaging solutions, work responsibly with suppliers and partners, and focus on a learning culture which includes professional skills development and encouraging new ways of working.

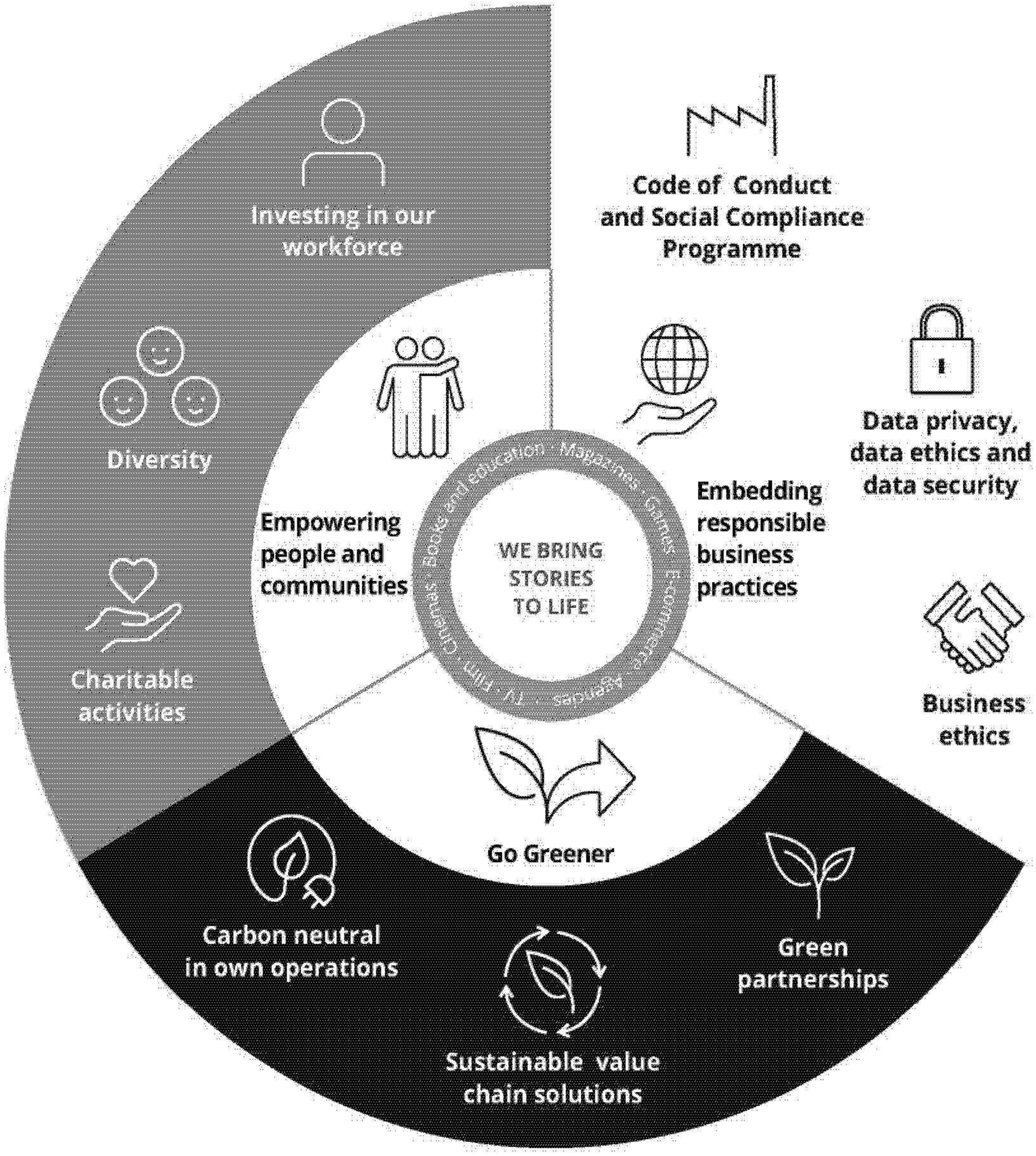
Our ambitions support the UN Sustainable Development Goals (SDGs) and direct our approach to manage the most significant climate, environmental, and social issues arising from the business processes.

Egmont has established common policies, standards, and guidelines which specify how the companies in Egmont address important sustainability areas such as environment and climate, responsible sourcing, and employer responsibility. Awareness-raising, risk mapping, improvement plans, monitoring and reporting are key elements in the continuous improvement of these areas. During 2023, we have carried out a double materiality assessment throughout Egmont's value chains. The purpose was to assess our material impacts on society and the environment (inside out) and the material financial impacts on our businesses (outside in), and identify risks and opportunities in order to be ready for reporting in accordance with the Corporate Sustainability Reporting Directive. The outcome will support Egmont's ongoing sustainability initiatives.

Egmont's Go Greener strategy describes Egmont's ambition to contribute to a low-carbon economy and a better planet for future generations. Our most material risks regarding climate and environmental issues can be found on page 12. During 2023, we have set emission reduction targets for key scope 3 categories in Books and Story House. As a next key step, Egmont will develop targets for scope 1, 2 and 3 aligned with the Paris Agreement. This will ensure that we take wider responsibility for our scope 3 emissions and plan for emission reduction across all our key value chains.

Responsibility and integrity are core to the way we conduct our business, and Egmont promotes responsible business practices throughout its value chain. Egmont's Business Ethics Policy and Code of Conduct provide clear guidance for our employees and business partners.

The people in Egmont are our most valuable assets, and we continue to invest in personal and professional development of our employees. We strive to foster an inclusive environment, where we treat each other with respect.



Empowering people and communities

People: Providing an engaging employment with a meaningful job, a great purpose, great cooperation with colleagues, and opportunities to develop professionally.

Communities: Contributing to the sustainable development of communities through engagement, funding, and partnerships to support vulnerable children and youth as well as young talents.

Embedding responsible business practices

Ethical business and compliance: Promoting an ethical culture and conducting our business with integrity and ensuring we comply with all relevant legal and regulatory requirements in own operations and supply chains.

Go Greener

Climate change and circular economy: Reducing our greenhouse gas (GHG) emissions from own operations and high emission areas within our value chains. Emission reduction targets set for selected scope 3 categories.

Sustainability highlights

Go Greener

	Unit	2019	2020	2021	2022	2023
Renewable electricity share (scope 2)	%	N/A	N/A	25%	100%	100%
Scope 1 emissions	tCO_2e	1,013	698	717	738	560
Scope 2 emissions (market-based)	tCO_2e	14,296	12,765	9,817	1,077	973
Scope 2 emissions (location-based)	tCO_2e	4,614	3,541	2,630	2,677	2,718
Scope 3 emissions*	tCO_2e	N/A	N/A	54,917	50,458	44,432

Our workforce, board and management

Employee engagement level**	1-10	8.0	8.1	8.2	8.2	8.0
Gender diversity, total*** (female % / male %)	%	52/48	48/52	50/50	49/51	51/49
Gender diversity, all management across Egmont**** (female % / male %)	%	47/53	49/51	44/56	43/57	42/58
Gender diversity, corporate management Egmont Fonden***** (female % / male %)	%	38/62	38/62	31/69	31/69	36/64
Gender diversity, board of directors Egmont Fonden (female % / male %)	%	0/100	14/86	14/86	17/83	33/67

*) Including five categories: Printed Products, Goods Transportation, Toys & Covermounts, Packaging, and Business Flights. See carbon accounting policies on pages 40-43

**) This is based on an online survey twice a year in which all employees in all wholly owned companies and some majority owned companies participate (students are not included in most companies).

***) This total includes all employees.

****) All management includes all positions with employee responsibilities. The increase in the share of male management members from 2020 – 2023 is mainly due to including new wholly and majority owned companies in the scope.

*****) Corporate management includes the 14 members of Egmont Corporate Management.

Double Materiality Assessment - Preparing for Corporate Sustainability Reporting Directive (CSRD)

In 2025, the Corporate Sustainability Reporting Directive (CSRD) will come into effect for non-listed large companies within the EU. This directive will guide how Egmont assesses material sustainability matters. The CSRD defines double materiality as the assessment of how Egmont's activities impact the environment or people (the inside-out perspective), and how sustainability-related risks and opportunities affect Egmont (the outside-in perspective). In addition, the CSRD sets out new disclosure requirements and data points that will significantly increase the current reporting requirements, and it introduces mandatory limited assurance on the reporting.

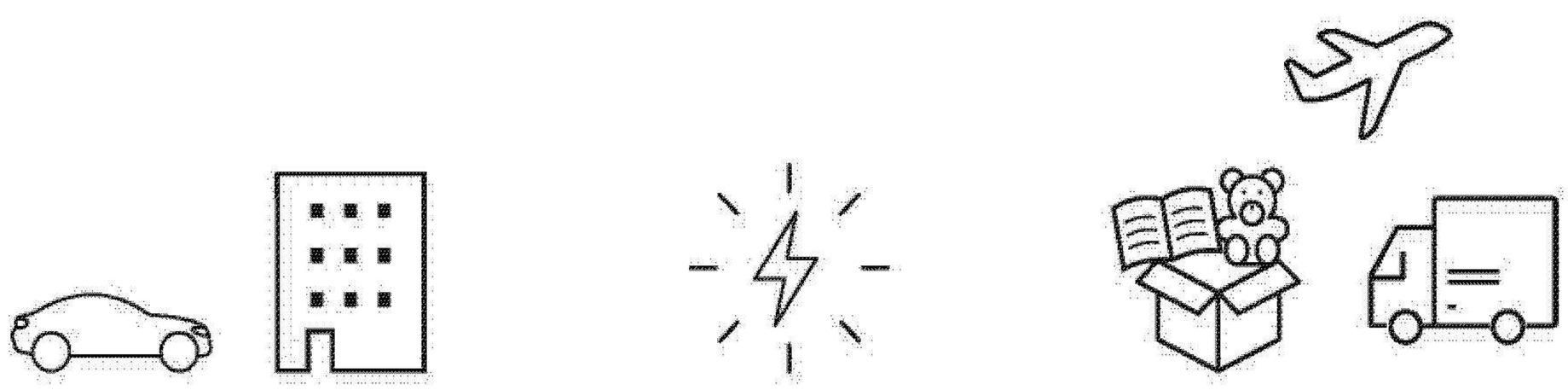
To prepare for the upcoming legislative framework, Egmont has begun its double materiality assessment (DMA). In 2022, Egmont conducted a comprehensive value chain mapping. During 2023 this mapping was refined, and we also outlined our business model while identifying key stakeholders. These steps allowed us to identify and assess sustainability related impacts, risks, and opportunities (IROs) across Egmont's different value chains. It was a substantial task, as our businesses cover a great diversity and sectors. The IRO assessment covered 14 different value chains across Egmont and identification and assessment of relevant IROs across all 10 ESRS topical sector-agnostic standards.

The primary purpose of the DMA was to determine which sustainability topics and underlying impacts, risks, and opportunities are material for Egmont to report in the sustainability statement. The process helped us determine where our most material IROs are in our value chains, and where we need to prioritize collecting data to make sure we keep our focus on where Egmont has the most material IROs related to the environment, people, or governance when Egmont becomes subject to CSRD from the financial year 2025.

Our carbon account

Our current reporting scope

We use the Greenhouse Gas (GHG) Protocol to report Egmont's carbon account. Own operations (scope 1 and 2) include company cars and facilities. Sustainable value chain solutions (scope 3) include the following emission categories: Business Flights, Printed Products, Goods Transportation, Toys & Covermounts, and Packaging. These categories were identified as material for businesses, see Egmont's carbon accounting principles. The 2023 distribution of GHG emissions from scope 1, 2 and 3 can be seen in the below figure.



Our Go Greener commitments

Our planet is under pressure, and the climate and ecosystems are changing with severe consequences. We want to do our part for the planet, by continuously setting GHG emission reduction targets and taking action across our businesses to drive emission reductions and deliver on our commitments.

Our main focus in the coming years will be to develop and set robust GHG emission reduction targets for scope 1, 2 and 3 aligned with the Paris Agreement.

In the meantime, we are working with the below targets to secure progress in our current focus areas. These targets may be revised as part of the process of setting targets across all our emissions.

In addition, we will work on further defining our Go Greener strategy across Egmont. TV 2 AS already started this work in 2023 by developing their own sustainability strategy.

Scope	Our current targets and commitments
Scope 1 and 2	· **Egmont:** From 2023, new passenger cars leased by Egmont's Nordic companies can only include electric vehicles (plug-in hybrid or battery) · **Egmont:** 100% green electricity from 2022 (i.e., electricity from renewable sources) · **Egmont**: Compensate residual scope 1 and 2 emissions*
Scope 3	By 2024 · **Story House Egmont:** Reduce plastic used for covermount packaging by 50% (in weight) by 2024, compared to 2021 · **Story House Egmont:** Use at least 30% recycled material for covermount packaging by 2024 · **Story House Egmont:** Reduce plastic used in covermounts by at least 25% (in weight) by 2024, compared to 2021 By 2030 · **Egmont Books:** Reduce GHG emissions from Printed Products by 33% in 2030, compared to 2021** · **Egmont Books:** Reduce GHG emissions from Goods Transportation by 28% in 2030, compared to 2021 (new) · **Story House Egmont:** Reduce GHG emissions from all current scope 3 categories by 33% in 2030, compared to 2021 (new).

*) In total 1,533 tCO_2e has been compensated in 2023 from Rimba Raya project.
**) Target has been restated to align base year across Egmont

Own operations (scope 1 and 2)

Company vehicles and fuel consumption (scope 1)

Actions

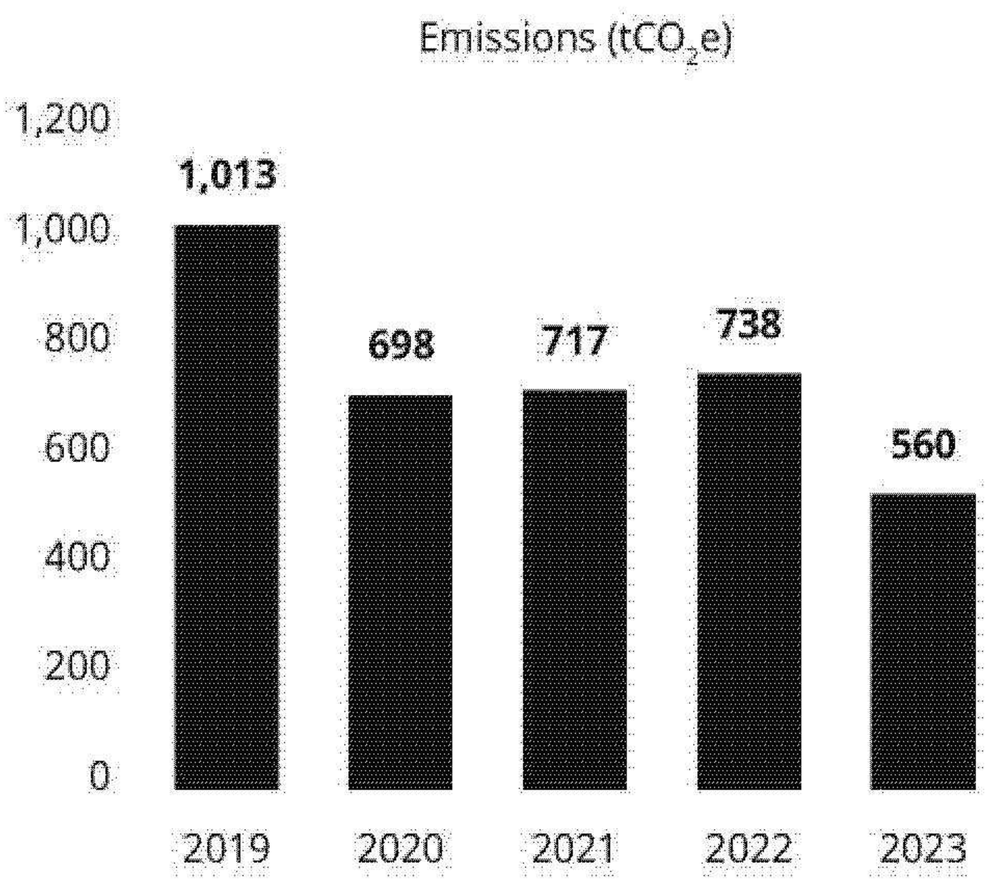
In 2023, our new company car policy was implemented in the Nordics: all new passenger cars leased by Egmont in our Danish, Swedish, and Norwegian companies must now be electric vehicles (plug-in hybrid or battery). We continue to compensate our residual GHG emissions in scope 1.

Results

Our scope 1 emissions have decreased by 24% between 2022 and 2023, mainly driven by a decrease of combustion vehicles in our fleet and fleet size. As at end-2023, electric vehicles made up 50% of our company vehicles fleet, against 43% end-2022.

Next steps

- Remaining vehicles will be replaced gradually by electric vehicles as new technologies become available at scale, and new legislation in our markets will phase out the sales of fossil passenger cars in the coming years
- Set emission reduction target for scope 1



CASE

Sustainability strategy in TV 2

Sustainability is a broad field, and it can be challenging to prioritize and identify where efforts yield greatest impact. In recent years, TV 2 has already been working with several sustainable initiatives. But in 2023, TV 2 embarked on an extensive process of formalizing their sustainability efforts by developing a sustainability strategy. This process involved conducting double materiality assessment to evaluate where TV 2 could have the most impact and identify risk and opportunities, and then use this to prioritize which sustainability topics to focus their efforts on. Early in the process, relevant stakeholders were interviewed to get their insights and perspectives on TV 2's impact, risks, and opportunities.

Within TV 2, climate consciousness has driven the ongoing efforts the last few years. Going forward, the increased efforts will initially focus on reducing carbon emissions from TV productions. In addition, TV 2 will continue working towards greener value chains, where most carbon emissions are generated. Besides environmental considerations, TV 2 will work for a diverse workplace that reflects the Norwegian population both in terms of workforce composition and the content broadcasted.

"It has been a very educational process for us so far, especially the double materiality assessment work. It has provided a necessary overview of and focus on our total agenda. So, the goal is to make an impact and to be successful on our journey to a more sustainable TV 2," Sustainability Manager in TV 2, Kristin Langangen emphasizes.

Adopting a more structured approach towards sustainability requires keeping a close eye on developments in our work and gathering the necessary data to track progress and create results. The strategy will also help communicate TV 2's efforts both internally and externally, further ensuring transparency and openness in their future sustainability work.

Electricity, heating and cooling (scope 2)

Actions

Nordisk Film Cinemas, which represents nearly half of our total energy consumption (scope 2), has continued its work with energy efficiency and in 2023 a main focus has been to create awareness about the impact of employee behavior on energy consumption. Nordisk Film Cinemas has also continued to develop its data foundation which will be the basis for energy reduction initiatives.

In 2023, Egmont has continued to match 100% of our electricity consumption (scope 2) with renewable electricity. In October, we signed a second Power Purchase Agreement (PPA) for the construction of an 11 GWh solar power plant in Southern Sweden, which is expected to start operations by summer 2024 and cover approximately half of our electricity consumption in Sweden and Norway. The remaining share of our renewable electricity sourcing consists of a mix of renewable electricity sourced by our companies and renewable electricity certificates sourced centrally (Danish PPA and other certificates). We continue compensating our residual GHG emissions in scope 2.

Results

Egmont's scope 2 emissions (market-based) are 10% lower in 2023 compared to 2022. In 2023, our absolute energy consumption was at the same level as in 2022.

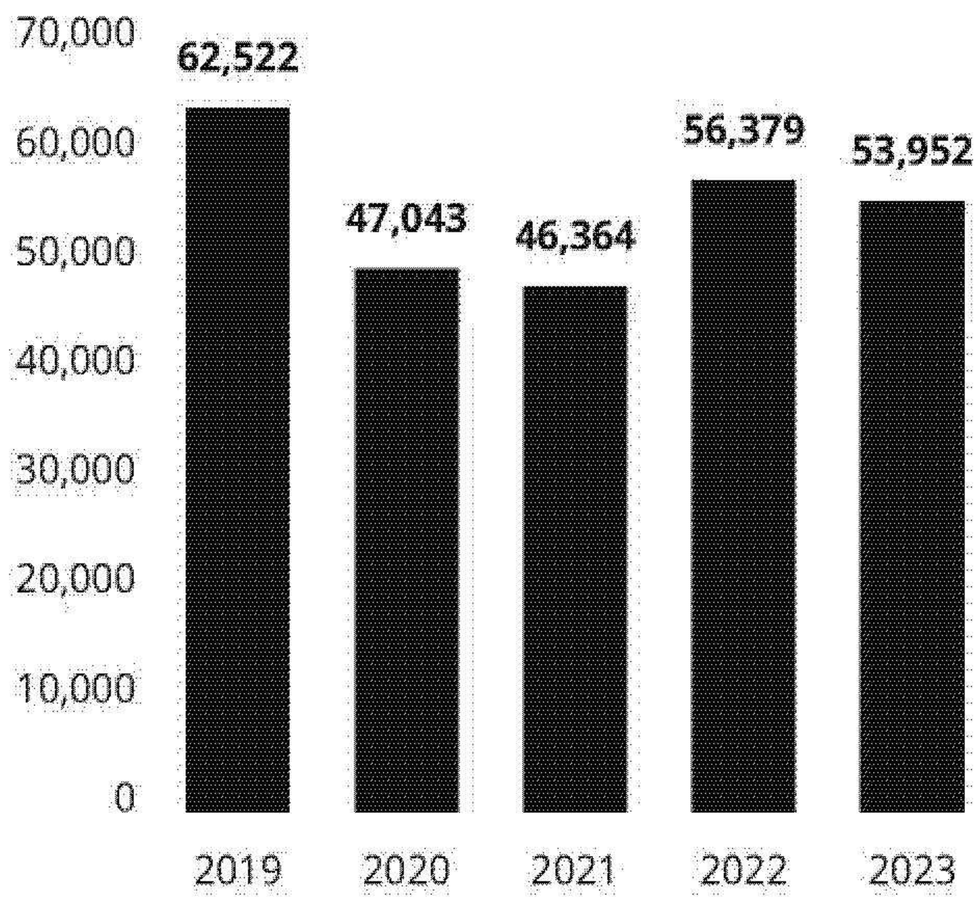
Nordisk Film Cinemas in Denmark has had a strong focus on electricity reductions in the past few years and has reduced its electricity consumption by 11% in 2023 compared to 2019. This reduction can be explained by improved heating, ventilation and air conditioning systems, using ventilation systems only during film showings, and reducing unnecessary energy consumption through employee engagement.

Egmont's renewable electricity share is 100% in 2023. In July 2023, the solar plant in which we have co-invested with 11 other Danish companies started operations. It is expected to add an annual capacity of around 70,000 MWh of renewable electricity to the Danish grid of which 11,600 MWh is sold to Egmont, and this will cover more than 90% of Egmont's electricity consumption in Denmark.

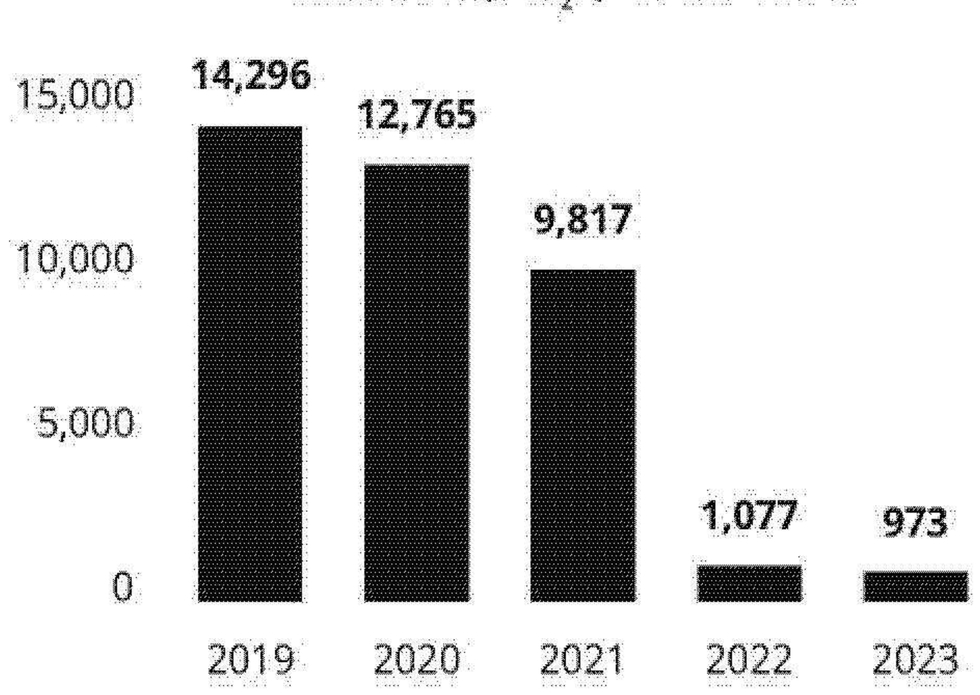
Next steps

- Continue improving our data foundation for scope 2 to enable energy reduction initiatives in our facilities
- Continue sourcing renewable electricity to cover 100% of our electricity consumption. The second solar power plant will become operational mid-2024. Together, our two PPAs will cover approximately two-thirds of our electricity consumption with renewable electricity going forward
- Set emission reduction target for scope 2

Energy consumption (MWh)
(Electricity, heating and cooling)



Emissions (tCO_2e) market-based



CASE

Go Greener workshops – Nordisk Film Cinemas

Nordisk Film Cinemas is continuously considering how to minimize their carbon footprint and impact on the environment, with a focus on electricity consumption, packaging, and waste sorting. In the past years, Nordisk Film Cinemas has already implemented several initiatives such as optimizing ventilation systems and cinema lighting and replacing older equipment in the cinemas.

Employees play a crucial role in these efforts, and their insights and actions are very important to make Nordisk Film Cinemas more sustainable. Employees are one of the strongest communication channels for our cinemas, given their direct interaction with cinema guests and their opportunity to inform guests about Nordisk Film Cinemas' sustainability efforts. Internal surveys also indicate a high level of interest and commitment to sustainability among employees, and therefore, throughout 2023, Nordisk Film Cinemas held workshops for all employees in Denmark and the majority of employees in Norway, focusing on sustainable solutions in the cinemas.

The overall aim of the workshops was to raise awareness and engagement about sustainability among employees by involving them directly – listening to their ideas and making local sustainability efforts relevant. Employees were first introduced to Nordisk Film Cinemas' overall approach to sustainability, followed by a review of existing sustainability initiatives related to electricity consumption, packaging, and waste sorting. They then worked in groups on these areas and provided input and ideas for sustainable behavior among employees.

Josefine Stilling Sandahl, Operations Manager at Aalborg Kennedy cinema, explains: "The response was very positive; our team participated actively with a lot of interest". She acknowledges that while it requires continuous work to keep engagement high, important habits have taken root. She has noticed an increased focus on lighting and food wastage, and employees are generally becoming more aware of sustainable behavior in the cinemas.

"For this awareness to transform into routine practice and create long-term effect, it will require changes in underlying operational processes across all cinemas," Josefine states.

Nordisk Film Cinemas will continue the work on awareness and employee engagement, and the next step is to have similar workshops in the remaining cinemas.

Sustainable value chain solutions (scope 3)

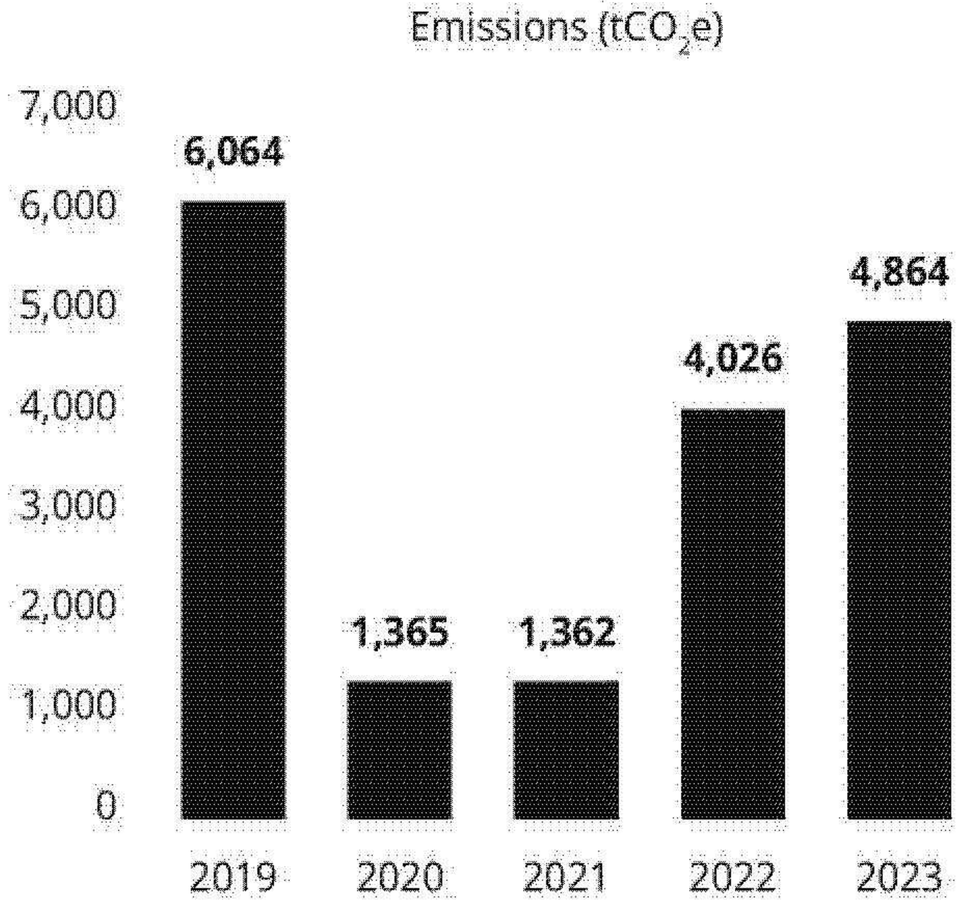
Business Flights

Actions

The working group established end-2022 continued its work in 2023 to better understand Egmont's business travel patterns and needs, and to identify reduction potential. As a result, we have developed an Inspiration Catalogue with concrete ideas on how to reduce GHG emissions from business flights, which can be implemented locally in our different businesses as relevant.

Results

From 2022 to 2023, our GHG emissions from Business Flights increased by 21%. Part of this is because the beginning of 2022 was still impacted by COVID-19, and because some of our businesses used 2022 and 2023 to re-establish business relationships after the pandemic, which resulted in an increase in travelling. Our 2023 emissions are still 20% lower than in 2019 (pre-covid), which indicates that we have managed to maintain the changed ways of working implemented during the pandemic, and our 2023 business flights emissions could therefore be considered as a 'new normal' after the pandemic.



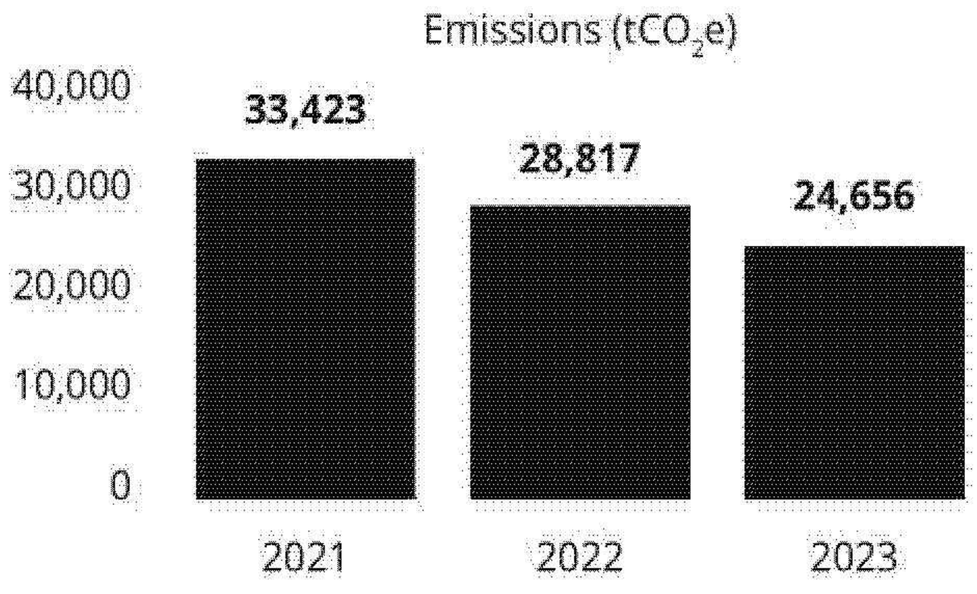
Printed Products

Actions

In 2023, our cross-divisional forum on climate and printed products was transformed into a working group tasked with exploring reduction potential for Printed Products towards 2030 as a basis for setting new targets for our scope 3 emissions. The work involved refining our current GHG emission calculations for Printed Products, analysing our suppliers' targets and initiatives, as well as identifying and sharing potential initiatives to reduce our GHG emissions across our businesses towards 2030. Looking at our supplier landscape, several have GHG emission reduction targets. Egmont Books and Story House Egmont have built strong relationships with many suppliers, and they have an ongoing dialogue about how to reduce emissions from Printed Products. At the same time, our businesses have continued to implement initiatives to support reducing and tracking emissions. Our two publishers, Cappelen Damm and Lindhardt og Ringhof have developed 'The Sustainable Toolkit' to guide the publishers to make the right decisions when planning and producing books. In our media business in Story House Egmont, we are focusing on selecting paper with lower emissions and producing smaller magazine formats.

Results

Absolute emissions from printed products have decreased by 14% from 2022 to 2023. This decrease is mainly explained by a reduction in the volume of printed products due to a decline in sales and improved forecasting for books production. In addition, the reduction can also be explained by our selection of paper types with lower emissions and initiatives from our printers such as increased sourcing of renewable electricity.



CASE

A toolkit for sustainable books

Books bring emotions and great thoughts from an author to the reader. It also burdens the climate by using trees, print and transportation when the words transform from the author's mind to the hands of the reader. Egmont's Norwegian publisher Cappelen Damm aims to reduce greenhouse gas emissions related to the production of books by 33% by 2030 from a 2021 base year, by making current materials and production methods less polluting or finding new and lower emission alternatives. Together with the Danish publisher Lindhardt og Ringhof, Cappelen Damm has created "The Sustainable Toolkit", a hands-on kit to help make the right decisions when planning and producing a book.

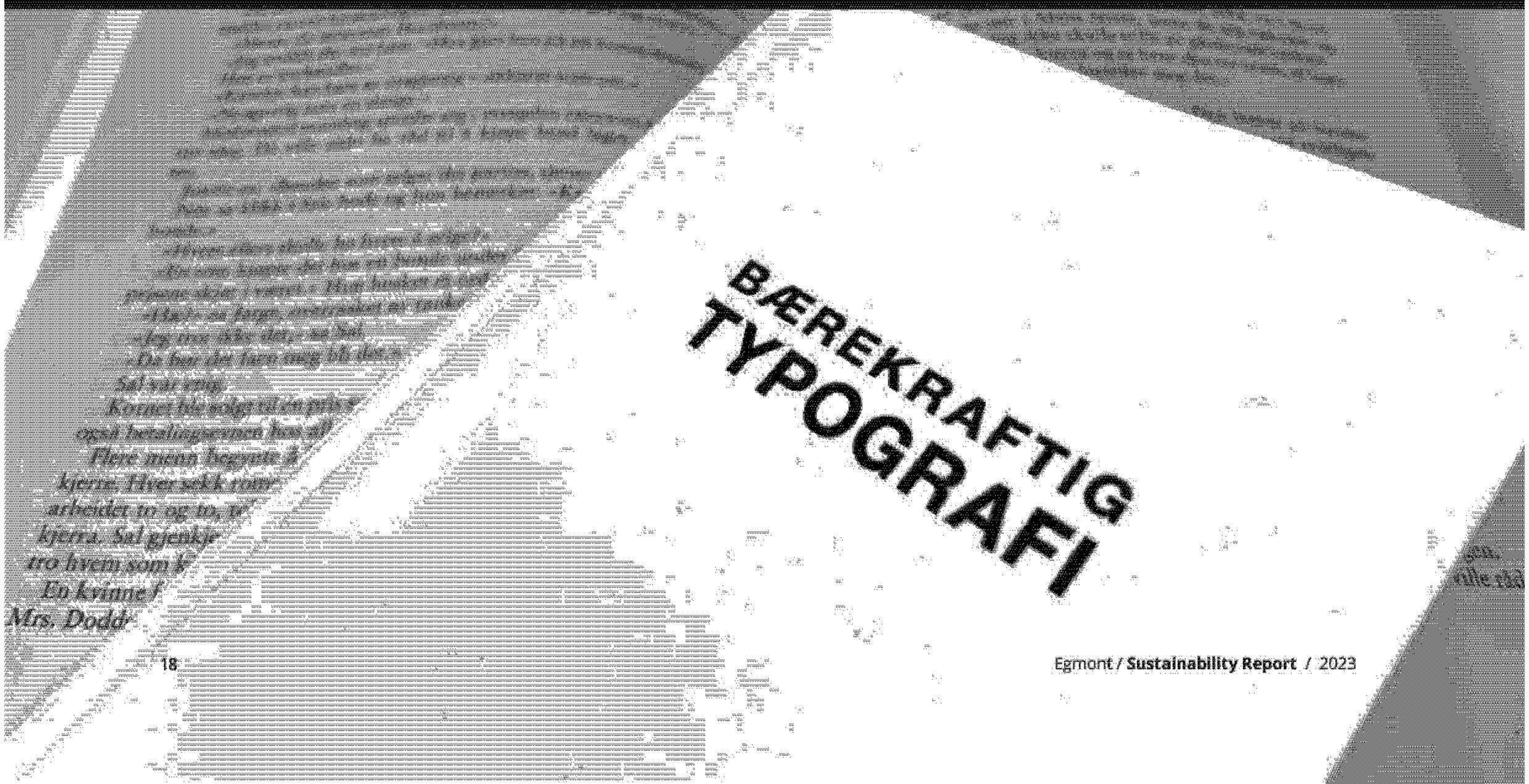
"The tool is used in meetings between production staff, editors, and authors. It is important to present specific examples, because it is difficult to visualize paper quality, typographies, and surfaces. You must have specifics to see, feel, and touch," Roy Jensrud, Production and Sustainability Director in Cappelen Damm explains.

The toolkit encompasses technical specifications such as format, paper, finishing and printing technology, and it demands good cooperation between editors and people in marketing and production. Cappelen Damm wants to create better books, faster and at the lowest cost possible. At the same time, the publisher must deliver the required number of books and aim to print on demand with the strategy printONE, printFEW and printMANY. And it all works together, lowering both costs and carbon emissions.

"Readability is of course the most important thing in a book, and putting the reader first is paramount. We call this subject-specific sustainable typography. The number of characters per page affects the total number of pages and how much paper we need. As a book's number of pages increases, the production process takes longer, making it more expensive and increasing carbon emissions. So having more characters per page reduces your need for paper usage, resulting in lower carbon emissions and cheaper books to produce," says Roy Jensrud.

When there is a correlation between saving costs and reducing carbon emissions, working with sustainability becomes exciting and valuable.

"I can hardly think of anything more meaningful than being able to influence sustainable publishing positively."



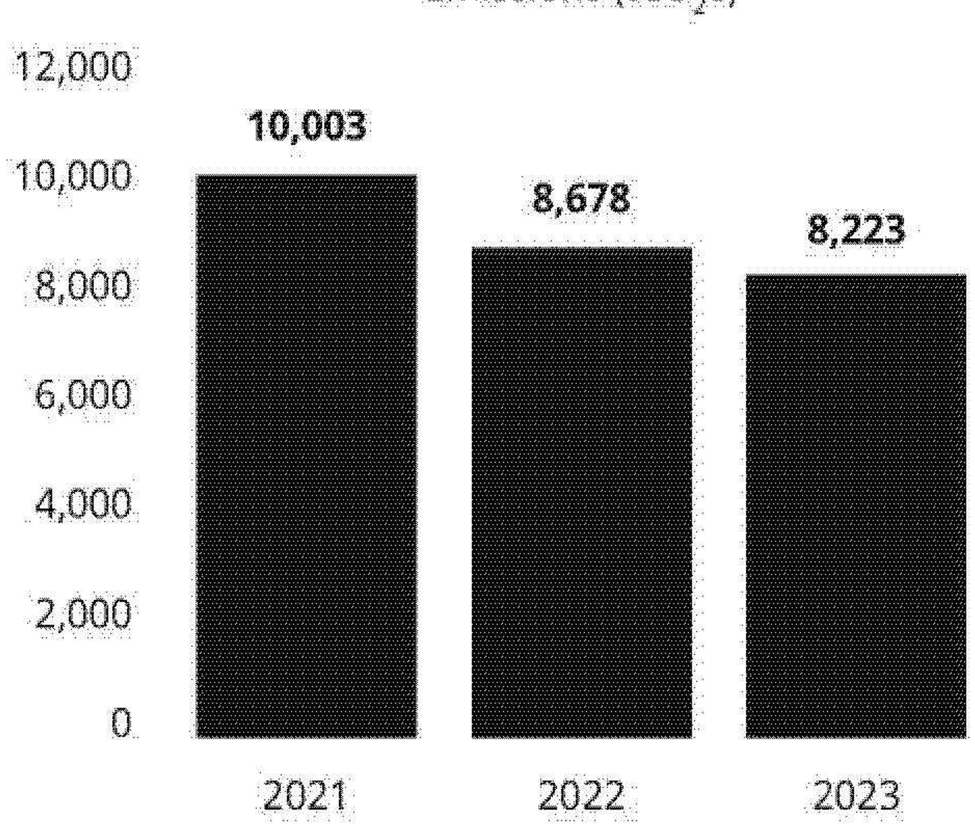
Goods Transportation

Actions

In 2023 our cross-divisional forum on climate and goods transportation was transformed into a working group with the same aim and tasks as previously described for Printed Products. Looking at our suppliers across Egmont, we continue to see a positive trend with many of our suppliers setting their own emission reduction targets and developing own decarbonisation roadmaps, as well as starting to implement specific initiatives to reduce GHG emissions. At the same time, our businesses continue to work with existing initiatives and to identify new initiatives to reduce our emissions from Goods Transportation. Examples of initiatives include optimisation of shipments by consolidating goods transported into fewer shipments, prioritising sea or rail freight when possible, and reducing the amount of air in packaging.

Results

Our emissions for Goods Transportation have slightly decreased between 2022 and 2023. This is the result of several factors across our businesses, including changes in volumes being transported across our businesses and reduction initiatives being implemented by our suppliers (e.g. use of new aircrafts with lower emissions).



Packaging

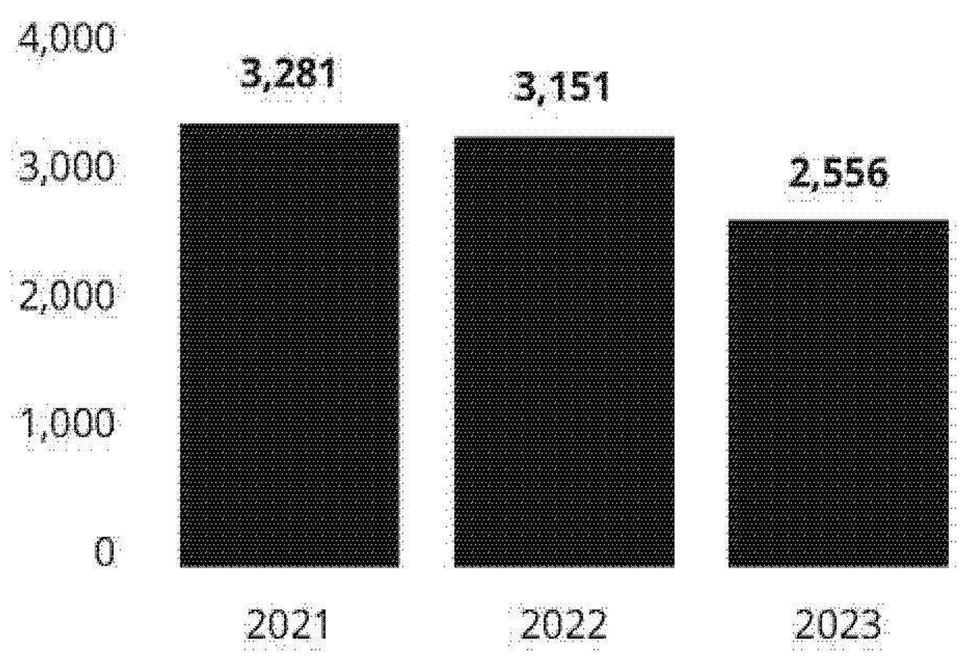
Actions

Most of our GHG emissions from packaging relate to our media and e-commerce businesses in Story House Egmont. In our media business, we have focused on removing foils from magazines for selected titles and replacing foils with recycled plastic, paper or other materials. In addition, we have started to introduce recycled materials in packaging for our Toys & Covermounts, and we will increase this focus in 2024. In our e-commerce businesses, we have reduced filling material, introduced bubble-wrap envelopes that reduce packaging size, and increased the share of recycled packaging material.

Results

Our emissions from packaging have decreased by 19% between 2022 and 2023. The biggest reductions come from our media businesses in Story House Egmont, where we have experienced a decrease in packaging tonnage. This can be explained by fewer magazines produced, our initiatives to reduce packaging and the carbon intensity of our packaging materials. We are also well on track with our targets on plastic for our covermount packaging:

- The share of recycled plastic in our covermount packaging is 21% in 2023 (Target: 30% by 2024)
- We have achieved a reduction of 29% in plastic weight for covermount packaging between 2021 and 2023 (Target: -50% by 2024 compared with 2021)



CASE

Making e-commerce business more sustainable - from product design to customer returns

From designing and developing a new product to purchasing and transporting existing products. From packaging the product, sending it to the consumer, and receiving returns. All these steps matter when it comes to making e-commerce business more sustainable.

'Bagaren och Kocken' is part of Egmont's e-commerce portfolio and one of Sweden's largest online stores for kitchen appliances and utensils. When they buy knives, pots, plates, and other products for the kitchen from the manufacturers, they have clear demands to their supplier.

"The suppliers should provide detailed information on the product, both to ensure we avoid certain chemicals, and to make sure that the product is safe to use. We also make sure that the product is produced in a compliant way for both people and environment," CEO Charlotta Svarfvar states.

The same goes for Outnordic, a group of e-commerce businesses focusing on outdoor activities, including Fjellsport, Outnorth, Skitt Fiske, and Skitt Jakt.

"When choosing a new product for our own brand series, we design it in a sustainable way and find materials that are also sustainable in the future. For us, it is important that the customer can use the product for a long time. Also, we make sure to have spare parts in stock in case the customer loses a part from a tent or wants to be able to repair the product," says Johan Granander, Own Brand Manager at Outnordic.

Outnordic has decided never to fly own brand goods home from the manufacturers unless it is samples. All own brand products are transported long-haul by sea or by train, whichever is the more environmentally friendly choice, and they purchase SMF (Sustainable Marine Fuel) for all their sea freights, reducing CO_2 emissions. When the goods are in stock in the warehouses in Sweden and Norway, next step is selling the products and delivering the boots or sleeping bag to the consumer in the best possible way for both consumer, product, and climate.

"Our cardboard boxes are made partially from recycled material, plastic bags are made 100 % from recycled plastic, and we are constantly working to reduce the amount of air in packaging and optimizing delivery. We no longer fly goods out to customers - except for ordres on Outnorth's international website and to Greenland and Svalbard," Viktor Höjman, Sustainability Manager at Outnordic explains.

Returns

The e-commerce businesses do their best to inform consumers about the goods, but returns are inevitable, and the number of returns differs depending on the type of e-commerce business; should the product fit like boots, jackets, and gloves - or should it just match your kitchen.

"We have a fairly low rate of returns in 'Bagaren och Kocken', which is a sign that we buy the right items. Also, we make sure that our products are high quality and last for a very long time. This is part of our strategy and position," says Charlotta Svarfvar.

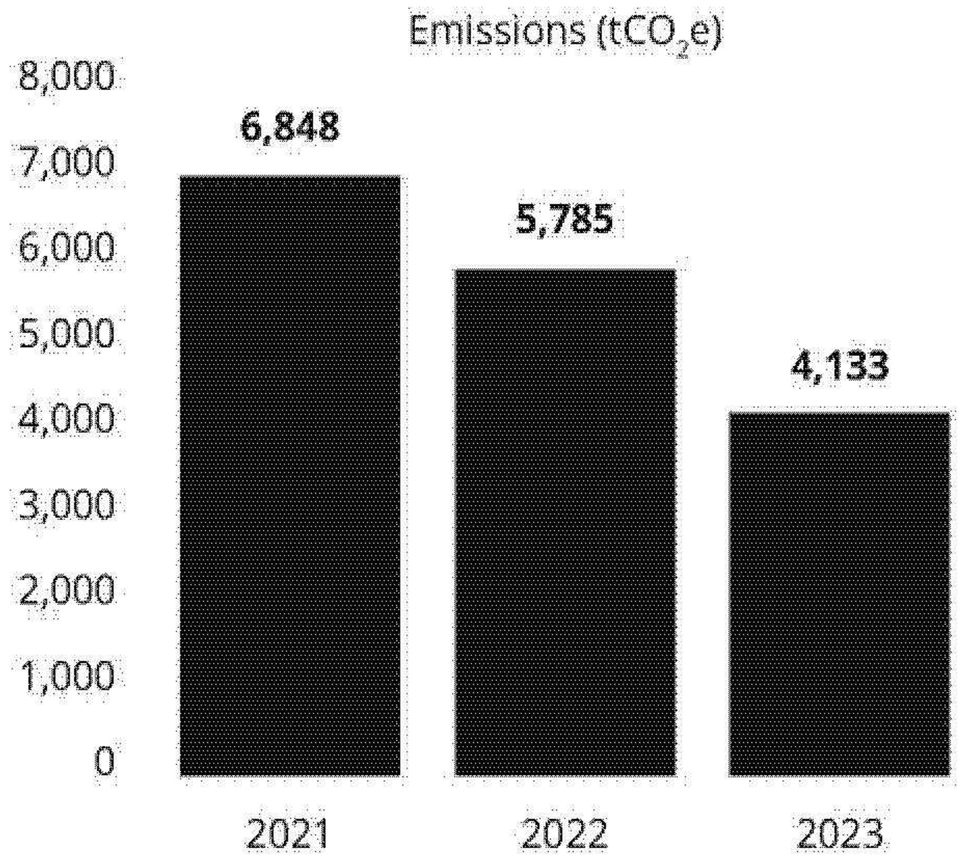
In Outnordic, most returned products can go straight back to the warehouse and be resold. Other products need minor repair, and some are put up for sale on the reuse channel Reuse on Outnorth's Swedish website in collaboration with reCRQL.

"Customers can easily sell items they have bought from Outnorth. We will also sell items that we have received as returns and cannot sell as new," says Viktor Höjman.

Toys & Covermounts

Actions

During 2023, our media businesses in Story House Egmont have continued the work initiated on reducing GHG emissions from Toys & Covermounts, as well as reducing plastic consumption. Since 2021, we have implemented initiatives to reduce the number of covermounts produced by removing covermounts from specific titles and reusing unsold covermounts. We have also focused our efforts on improving the data foundation and are now able to calculate GHG emissions based on more precise information about the materials used. During 2023, we have also investigated the tradeoffs between reducing GHG emissions and plastic material in covermounts, and we are exploring the role of recycled materials, as well as recyclability and durability, to reduce the environmental impact of our covermounts going forward.



Results

Our GHG emissions related to Toys & Covermounts have decreased by 29% from 2022 to 2023, mainly driven by a decrease in tonnage which can be explained by lower volumes of kids magazines produced but also lighter covermounts. In 2023, the weight of plastic materials in our covermounts was 41% lower than in 2021, which is beyond the target we had set for ourselves by 2024 (-25% compared with 2021). We have used 2023 to test many alternatives to plastic toys in all our markets which explains the large decrease. Not all tests turned out to be viable options, but they have provided us with valuable insights for our future efforts within Toys & Covermounts.

Next steps across scope 3

- Actively work with our new targets within selected scope 3 categories
- Setting scope 3 emission reduction targets aligned with the Paris Agreement

CASE

Green certified series production

What viewers may not know when they watch the new crime series, *Off the Record* (Graverne), by Nordisk Film Series (part of Nordisk Film Production), is that it is one of the first productions to achieve green film certification in Denmark.

Line producer, Irene Albertsen, and the rest of her production team have taken an innovative step to make *Off the Record* a groundbreaking pilot project for green initiatives in film and TV production. As a result, *Off the Record* has earned a Green Film certification with the highest score ever for a Danish fiction series.

Green Film is a rating system designed to guide producers to work in an environmentally friendly way. Productions are assessed based on a list of criteria including energy savings, transport, and accommodation, catering, waste management, material selection, and communication in terms of best practices.

"On *Off the Record*, we have implemented several green measures which led us to be Green Film Certified," says Irene.

Transportation was minimized, with the film crew encouraged to bike to work. Filming locations were specifically selected near Nordisk Film in Valby for further convenience, and there was minimal travel. In addition, waste was tackled by swapping out plastic bottles for reusable ones. Energy efficiency was also considered as LED lighting was utilized and recycled furniture was used where possible. Lastly, the catering service mostly offered vegetarian options.

In 2022, Nordisk Film started using Green Producers Tool, which measures CO_2 emissions related to TV and film production. The tool was employed to register all green initiatives on *Off the Record*. These were then compiled into a report, which worked as input for Green Film to issue the Green Film Certification.

"Measuring our impact was enlightening; it showed me how all these changes can make such a big difference," Irene emphasizes.

Being able to provide a specific carbon footprint for each production is a valuable asset. It helps develop best practices for future productions and helps accommodate the demands of external stakeholders.

Using the Green Producers Tool has proven to be effective in reducing CO_2 emissions. Measuring the CO_2 emissions of the implemented green initiatives showed that the film crew managed to save 57 tons of CO_2 on *Off the Record* — a reduction of 51% compared to the CO_2 emission level with no green initiatives implemented. This is equivalent to flying 400,000 km – enough to circle the Earth ten times[1].

From 2024, Nordisk Film Production plans to integrate the use of the Green Producers Tool into selected future projects and aims to implement it as a standard procedure for more productions in the future.

"There is still room for improvement, of course, but we are proud that we have started the work towards greener productions and achieved good results" Irene says.

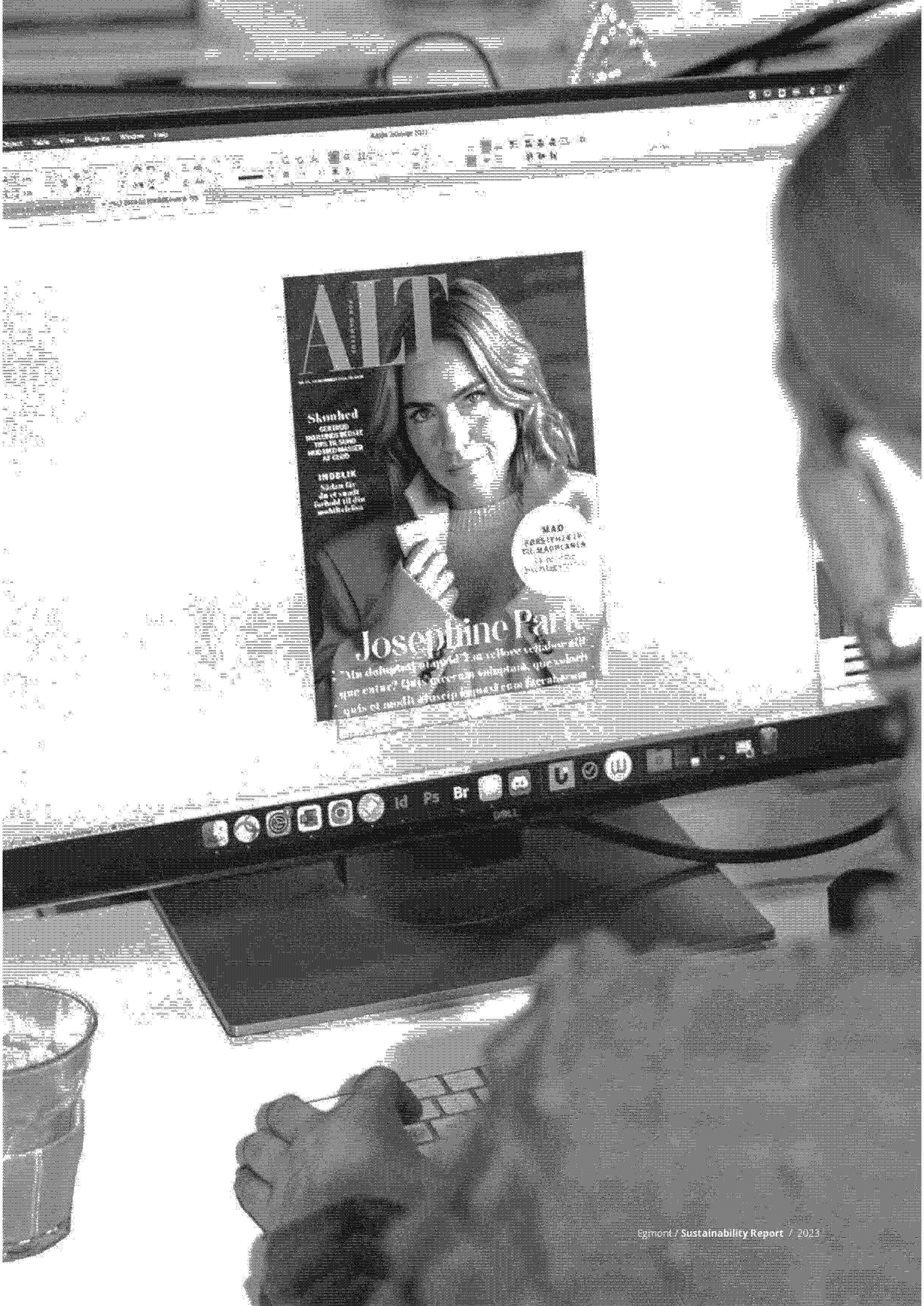
[1] Source: Green Producers Club Denmark.

Green partnerships

Collaboration and partnerships are key to succeed with the transformation needed to tackle climate change and reduce our impact on the environment. In Egmont, we want to engage with our suppliers and enter into green partnerships to support development of solutions that can help drive the transition in our industries and across our business activities.

During 2023, we have continued to work with suppliers and business partners. Nordisk Film, TV 2 and Story House Egmont (Egmont People) continued to work on promoting sustainable Film and TV productions together with Green Producers Club. Using the tool from Green Producers Club to measure GHG emissions from TV and Film production supports the further development of the tool and will help lead the way in the industry by sharing their knowledge and best practices with other members of the club. In collaboration with the circular economy platform reCRQL, our e-commerce business Outnorth has developed a reuse channel on their Swedish website, enabling returned or repaired products to be put up for sale again. Through continuous dialogue, Egmont Books and Story House Egmont have built strong relationships with suppliers, discussing how to reduce emissions from Printed Products and improving data quality. Egmont Books have established agreements with their key suppliers on GHG emissions reductions, and initiatives are discussed as part of regular meetings. Nordisk Film Cinemas has started to request GHG emission data from key suppliers as part of it's business contracts.

Across Egmont, supplier engagement is seen as key to drive progress in reducing our GHG emissions, and it will become even more central when we expand our work in scope 3.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Embedding responsible business practices

Business ethics and whistleblowing

Egmont is committed to ensuring ethical and responsible conduct in all its operations. Employees, business partners, and third parties can use confidential and secure channels to express concerns about possible serious misconduct via Egmont's whistleblowing system, which can be accessed online by employees via our intranets and by external parties via Egmont.com.

Business Ethics Policy and training

Egmont's Business Ethics Policy incorporates a wide range of legal compliance areas, such as conflicts of interest, gifts and entertainment, anti-corruption, competition law, anti-fraud, marketing law, data protection, piracy and illegal use of content, trade sanctions, human rights, and environment, and it is an overall umbrella to communicate compliance policies and how Egmont expects its managers and employees to act. The business ethics e-learning presents the employees with dilemmas and cases, which they may encounter in their daily business.

Progress in 2023

During 2023, the business ethics e-learning was automatically assigned to new employees, and by the end of December 2023, 96% of the new employees had completed the training. In addition, the training programme has been rolled out to acquired companies, and selected training has been made in certain areas based on a risk assessment.

Egmont has assessed its risks in relation to corruption in the business areas and countries where it operates and in relation to new partners, and the conclusion remains that the overall corruption risk in Egmont is low. Egmont works with manufacturers and other partners in countries with perceived high risk of corruption to ensure that manufacturers are aware of and comply with the regulations on anti-corruption.

Egmont conducts audits and inspections based on general compliance risk assessments. Where relevant, in connection with new partners and M&A transactions, separate due diligence regarding relevant business ethics risks is conducted. During 2023, Egmont conducted separate due diligence in several cases and used external experts where necessary.

Egmont continues its work to ensure that relevant suppliers and business partners sign up to Egmont's Code of Conduct (or have their own code with equivalent standards) that sets out a number of social and legal compliance requirements, including with respect to non-discrimination, compensation, protection of the environment, freedom of association, health and safety, anti-corruption, non-harassment, and hours of work. Egmont has updated relevant implementation guidelines relating to the Code but has in parallel started the work on an updated Code of Conduct to incorporate market practice and new relevant legislation. During 2023, Egmont has not detected any corruption or bribery in Egmont or in the supply chain or received reports of any such incidents.

In 2023, Egmont companies in Norway, as required under the Norwegian Transparency Act, have made public reports on how they work to ensure compliance with the act in relation to human rights and decent working conditions in their own operations, supply chain, and other relevant business relationships.

During 2023, two minor fraud cases were revealed, and relevant follow-up has been made.

Whistleblowing system - reports and status 2023

In 2023, one whistleblower report was submitted in Egmont's whistleblowing system relating to concerns with the working environment in one business area. The matter was investigated, and no compliance issues were identified. After meetings with the whistleblower, the matter was closed.

Planned actions 2024

Egmont will run refresher business ethics training for all employees and conduct awareness training on selected focus areas, including conflicts of interest and trade sanctions. Egmont will update its Code of Conduct and guidance regarding implementation of the Code into relevant agreements based on a risk assessment. Finally, Egmont will run awareness campaigns to ensure that all employees know where and how to address serious concerns relating to the conduct of managers and other employees in Egmont, including the option to use the whistleblowing system.

Data privacy, ethics, and security

The EU General Data Protection Regulation (GDPR) has been in effect since 25 May 2018 across the EU. Egmont has implemented a group-wide, general framework for ongoing GDPR compliance, and its businesses continue to implement GDPR compliance actively into the way they work. The framework consists of policies, guidelines, and standard documents together with a comprehensive employee training programme.

Egmont has a group-wide Information Security Policy, and all employees are educated in general information security. In addition, IT employees are trained in technical security policy requirements for their specific responsibilities. Training is recurring on a yearly basis and when technical policies are updated.

The Information Security Policy has been successfully adopted, and security controls are optimized to meet the current threat level when necessary. To achieve this, Egmont utilizes modern cloud security to be in control of data and systems in parallel with traditional security controls, including security tests, system updates, and malware prevention.

Egmont is on a journey to further adapt information security controls for our platforms and data to enhance compliance with the GDPR and ethical use of data.

Egmont has an ethical and responsible approach to the data we handle. Egmont uses data as part of its business strategy and to make innovative solutions and product improvements to the benefit of our customers and partners.

Egmont has introduced a Policy on Data Ethics to ensure that Egmont companies manage data in an ethical way. The principles in the Policy are universal and relevant across Egmont but currently it only applies directly to all 100% owned Danish companies.

The Policy supplements Egmont's general commitment to high business ethics standards and integrity as set out in Egmont's Business Ethics Policy. The policy principles on data ethics are relevant to all categories of data processed in Egmont. This includes personal data as well as other categories of data such as financial and commercial data, including confidential information received from third parties. In addition to Egmont's Policy on Data Ethics, a number of Egmont companies have tailored policies or guidelines for their use of AI.

Policy on Data Ethics

Egmont applies the following principles for ethical data management:

IT Security: We maintain a high level of IT security to protect confidential information and personal data processed by Egmont against unauthorized use and disclosure. Egmont has an Information Security Policy which applies to all group companies, and which sets out a number of IT security requirements and includes relevant mandatory training for all employees.

Openness: We are open and transparent with individuals about the personal data we collect about them, how we use it and share it.

Personal data: Egmont has a Policy on Handling of Personal Data to ensure compliance with relevant data and privacy laws and regulations. It applies to all group companies and includes relevant mandatory training for all employees. We respect data privacy rights and the integrity and confidentiality of personal data.

Respect for confidentiality: We respect confidential and proprietary information belonging to third parties, including customers, suppliers, etc., and we only use it as allowed or authorized. All employees who have access to personal data or other confidential information are bound by confidentiality undertakings.

Quality: We strive to maintain a high level of data quality. That applies to all data, including the data on which we base our decisions, the data which we publish and on which authorities, customers, suppliers, and other stakeholders rely.

Technology and design: Data processing technologies, including technologies such as machine learning, artificial intelligence and similar, shall be designed and used in respect of the principles of this Policy.

Tax policy and commitment

Egmont has a global tax policy and is committed to:

- being fully compliant with tax laws across all relevant jurisdictions.
- ensuring payment of the taxes we are legally required to pay in all the countries in which we operate.
- applying tax incentives in the manner intended by governments and fiscal authorities.
- conducting transactions between group companies on an arm's length basis and in accordance with OECD principles.

Tax compliance and relationship with tax authorities

Egmont is committed to calculating all taxes correctly in accordance with the law and paying them when due. Statutory tax returns for all taxes should be filed correctly, contain accurate information, and be filed on a timely basis.

Egmont seeks to maintain open and transparent relationships with the tax authorities and other relevant bodies in the jurisdictions in which we operate. Any errors or mistakes in tax returns will be fully disclosed and notified to the relevant tax authority as soon as practicable.

Tax planning

Egmont does not accept aggressive tax planning and seeks to implement structures that are sustainable in the long term. Egmont defines aggressive tax planning as exploitation of technicalities in a tax regime or as inconsistencies between tax regimes in order to reduce tax liability.

International developments and transparency

Egmont continuously monitors international tax legislative developments and initiatives promoting responsible tax behaviour and transparency for taxes and Egmont will comply with the international initiatives implemented such as the OECD initiative on global minimum taxation (Pillar II).

Egmont's Social Compliance Programme

As a signatory to UN Global Compact, Egmont is committed to respecting and protecting human rights and labour rights, in line with the UN Guiding Principles, to continuously identify, mitigate, and remediate adverse human rights impacts from our own operations and our suppliers to ensure that all our products and services are produced in accordance with applicable ethical and social standards.

Assessed on the basis of production processes and sourcing countries, our supply chains related to covermounts, toys, activity products and printed products are perceived as high risk and, consequently, these areas are the main focus of Egmont's Social Compliance Programme. The Programme was developed to monitor suppliers' performance on human rights, labour rights, decent working environment, and ethics. The Social Compliance Programme is governed by Egmont's Code of Conduct and defines the process and requirements to which our direct suppliers and selected sub-suppliers must comply.

Responsible supply chains

Aim	Closely collaborating with relevant suppliers and business partners to ensure that human rights and labour rights are respected in the entire supply chain
Policies	· Egmont's Code of Conduct · Egmont's Social Compliance Programme
Approach	· Comprehensive risk assessment · Third party due diligence and audits and remediation action plans · Inspiration letters on recent regulatory updates and best practices · Regular dialogue and training sessions
Achievements in 2023	· Continuous improvement on suppliers' performance · Stable and healthy supplier pool · Double materiality assessment in relation to Corporate Sustainability Reporting Directive · Two inspiration letters published to relevant suppliers
Actions planned for 2024	· Continue to work with the suppliers to remediate non-compliance issues and ensure compliance with Egmont's Code of Conduct · Monitor European legal requirements and international standards on human rights due diligence and implement as required · Continue preparations for reporting in relation to Corporate Sustainability Reporting Directive · Continue to build awareness and provide training and inspiration on social compliance related topics for our suppliers and other business partners

Suppliers' performance on social compliance in 2023

	No. of social audit reports & SAQs*	Total findings	Average finding per audit/SAQ
2023	**197**	**558**	**3.02**
2022	176	634	3.43
2021	162	692	3.74

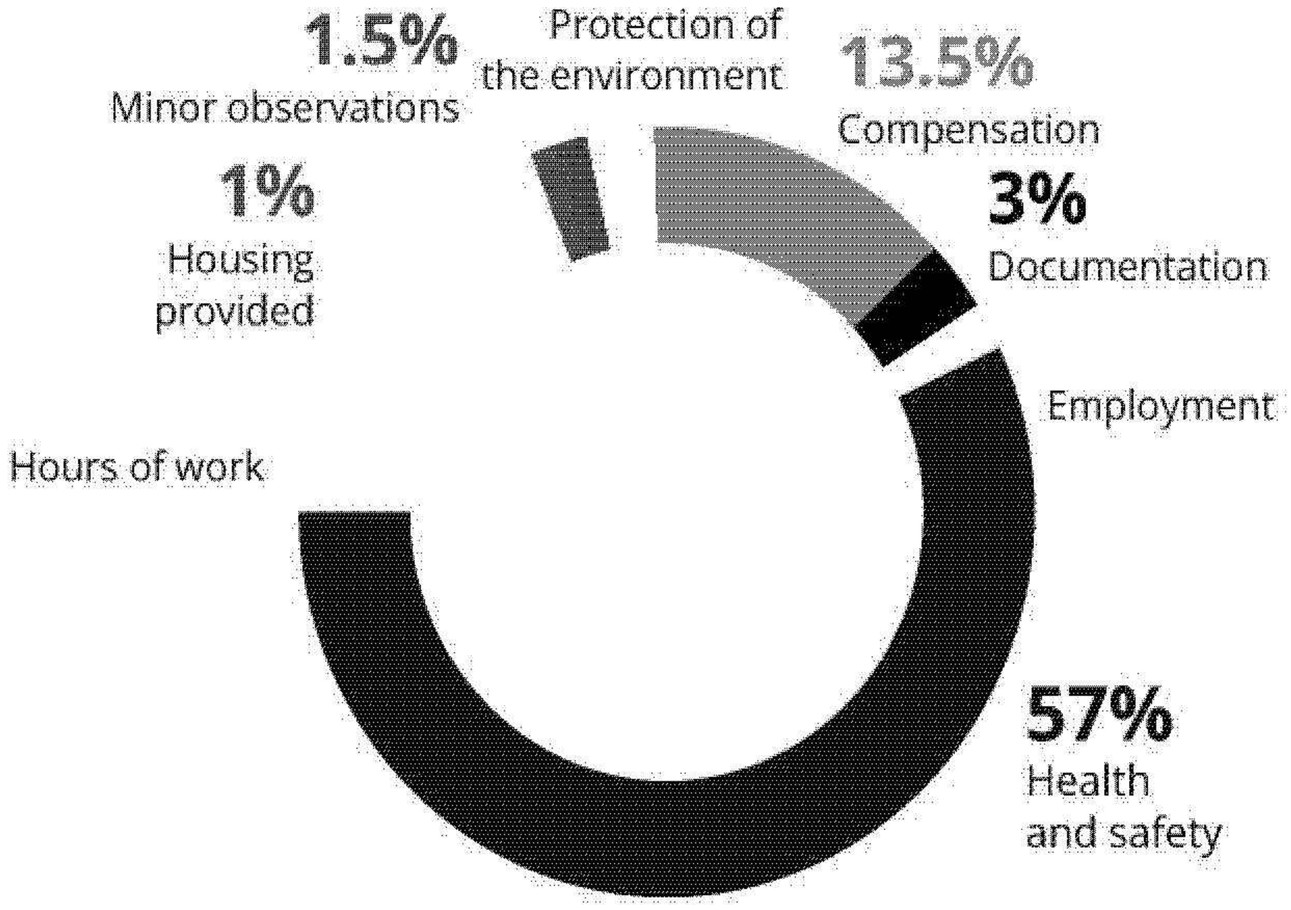
*) According to Egmont's country risk assessment and social compliance programme, audits are required for factories located in medium and high-risk countries. SAQ = Egmont Self-Assessment Questionnaire.

On-site audits alone do not lead to holistic supply chain risk management and development, but we use them as a starting point to assess selected suppliers' focus on their facility's working environment and compliance with applicable human rights standards and local labour legislation. We therefore value the insights gained from the social audits and SAQs and will continue to seek open and transparent dialogue with our suppliers to promote improvements.

During 2023, Egmont has included more factories to the monitoring process, which explains the increase in reports evaluated. Despite this increase, the number of findings has declined over the past three years, and we can see a general increase in suppliers' compliance level. Other than the matter relating to prepaid employment fees which was corrected as a result of the audit, see case below, none of the findings were relating to zero tolerance matters or other very serious matters.

The detailed distribution of the findings detected through evaluation of social audits/SAQs in 2023 can be seen in the graph below.

Findings from social audits in 2023



Dealing with health and safety issues

Findings within the health and safety category remain the most common and mainly include improper or missing material safety data sheet MSDS and/or label on chemicals used in production processes, missing anti-leakage equipment for chemicals, and personal protective equipment (PPE) not properly worn/used. These health and safety findings are usually caused by workers' lack of safety awareness and understanding of the relevant regulations as the amount of chemicals used in the workshops are limited. Egmont will continue to work with the relevant suppliers to set up safety procedures and train the workers to be cautious and protect themselves from hazards. Inspiration letters on important health and safety topics will also be distributed to relevant suppliers to raise awareness and provide best practices.

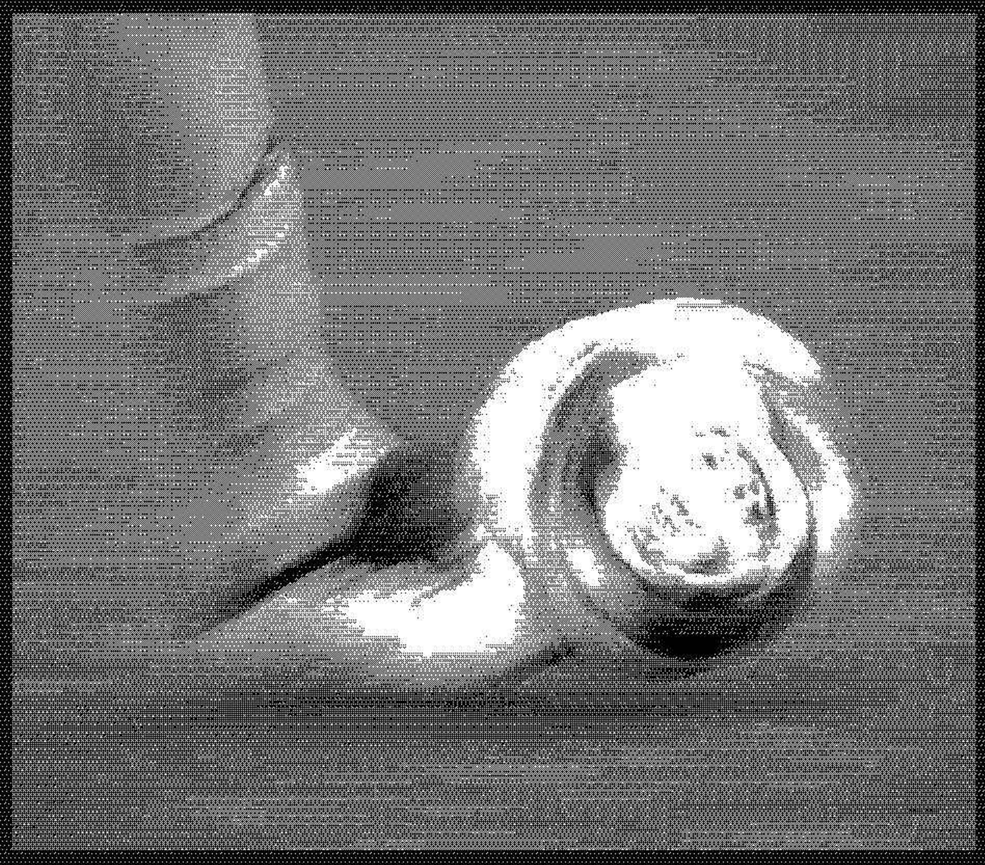
Cooperating for positive changes

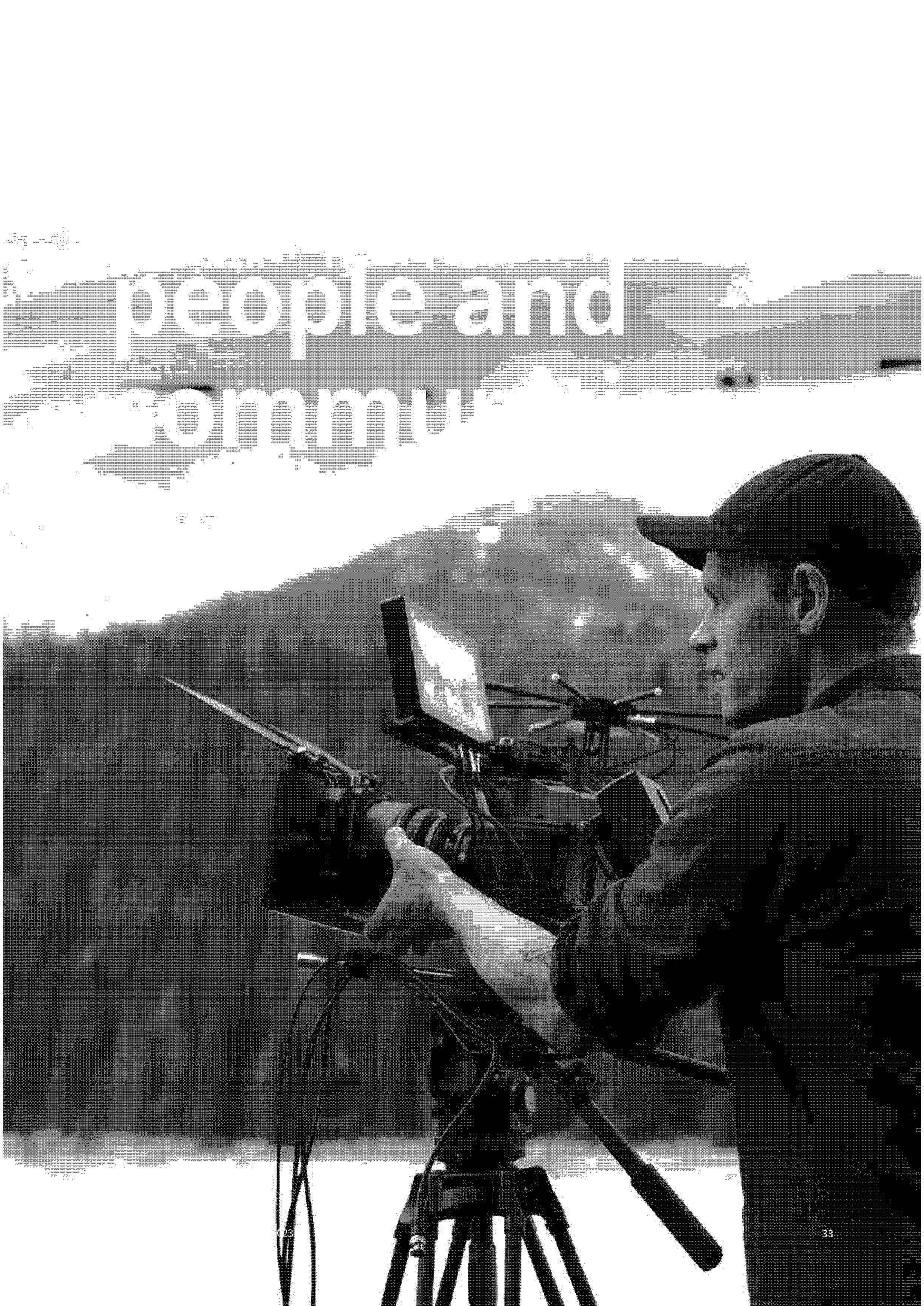
In 2023, we unfortunately found a case with potential forced labour risk. The case was related to recruitment fees, i.e. fees for working permit and visa paid by migrant workers in a Thai factory. We received two separate audit reports conducted in June 2023 and August 2023 based on different standards, and both flagged concerns of the issue related to paid recruitment fees. The factory had already been aware of this and had initiated a plan to reimburse the pre-paid recruitment fees to applicable workers, even though such fees are not forbidden by local law. However, the original plan of reimbursement was not accepted by Egmont, as it would take some months before all pre-paid amounts were paid off, and this could limit the workers' freedom of work during those months. We encouraged the factory to pay all the fees immediately and set up a policy and procedure to prevent recruitment fees from happening in future as well.

Based on document reviews, and employee and management representative interviews at the beginning of October 2023, the facility had reimbursed the recruitment fees and other related costs to all relevant immigration workers. In addition, the facility had also implemented a policy of not charging any visa and work permit processing fees for migrant workers and communicated it to all migrant employees via training. We will follow this factory closely to ensure that similar issues do not happen again.

TV 2 is part of Football for the Goals

Football for the Goals is a United Nations initiative that provides a platform for the global football community to engage with and advocate for the Sustainable Development Goals (SDGs). It is a co-operation between national football associations, leagues, clubs, organized fan groups, players, and the media. The initiative has two aims: to achieve a change of behaviour and sustainable practices within football and to use the power of football to increase awareness of the SDGs. TV 2 has contributed with the setting up of an international foundation, project management in the Norwegian pilot project, and visibility in TV 2's editorial broadcasting areas.





Egmont's workforce

Egmont cares about the well-being of its employees, and Egmont believes that a good working life is realised through a combination of having a meaningful job with a strong purpose, great cooperation with colleagues, and good opportunities to develop professionally. Egmont needs to have the right capabilities to stay relevant and a culture where development is paramount. Egmont ensures a learning culture through a mix of professional skills development, acquisition of new competencies, and cultivation of new ways of working.

Egmont's workforce has a balanced gender distribution, with 49% women and 51% men. The average age is 39 years, coupled with an average tenure of seven years. In 2023, Egmont noted an attrition rate of 15%[1].

The workplace culture fosters an environment where employees are valued, respected, encouraged, and empowered to contribute. We embrace differences as strengths. When recruiting or promoting people, we ensure that all qualified candidates are fairly considered.

Development and employee engagement

Egmont considers it of utmost importance that its employees maintain focus on learning and development, thereby fostering both their professional and personal growth. To support this, Egmont provides clear expectations, opportunities for experiential learning on the job, along with a range of different educational initiatives. Some are made available to all employees to meet universal requirements, while others are developed and implemented locally to cater more effectively to specific local demands.

Within all business areas, Egmont offers knowledge-sharing forums, mandatory training sessions, etc. The format varies from leadership development programmes to individual presentations and lectures to panel discussions and conversations with both Egmont colleagues and external guests.

Egmont's businesses offer onboarding including, but not limited to, introductory courses and buddy/mentor arrangements for new employees.

To enable employees to meet expectations, fully realize their potential, and remain engaged, Egmont ensures they receive regular feedback from their leaders. This is accomplished through several means, including regular performance dialogues, routine one-on-one meetings, and ongoing feedback during everyday work.

Egmont's leaders are expected to focus and act on engagement in their teams, and to support that focus Egmont conducts employee engagement surveys twice a year. Engagement is essential for short-term business performance, customer satisfaction and for the long-term sustainability of the company. According to the latest survey in September 2023, Egmont's engagement remains at a high and satisfactory level, both in terms of the participation rate in the survey (87%) and the overall engagement level (8.0 on a 10-point scale). However, the engagement score is 0.2 lower than last year.

At the end of 2023, a total of 822 leaders from across the businesses had completed the 'Committed to Lead' programmes during a period of seven years, and new leaders are lined up for the programmes in 2024. We constantly develop the programmes, and the content is adjusted as the requirements for leadership change. Committed to Lead contains three different programmes: 'Informal Leaders', 'Leading Others' and 'Leading Leaders'. In 2023, there were 147 participants in these programmes with an overall evaluation score of 4.8 on a 5-point scale.

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[1] Part-time employees in Nordisk Film Cinemas in Denmark, Norway and Sweden are not included in the numbers for average age, average tenure, and attrition rate.

Workplaces and work environment

Egmont's companies are characterised by strong local brands, diverse cultures, and high levels of autonomy. In general, Egmont's businesses are more governed by context (e.g., employees' understanding of the local goals and culture) than strict one-size-fits-all processes and policies.

Egmont's companies strive to be attractive and modern workplaces that support both consumer focus and new ways of working as well as focus on securing the physical and mental work environment for employees.

Egmont wants to avoid harassment and other offences. Implementation of Egmont's policy on 'Offensive Acts', mandatory training for all employees, guidelines on where and how incidents can be reported, and clear expectations of leaders and HR professionals on how to handle and follow up in such cases have contributed to the number of cases being very low.

Egmont has a compensation and benefits programme which includes family care leave, pension, various insurances (e.g., health insurance), and well-being initiatives. These programmes follow or exceed the legal requirements of the employees' geographic location.

Next steps

In Egmont's commitment to sustaining an attractive, innovative, inclusive workplace, the focus in 2024 will be on fostering inclusion and reducing unconscious bias across our key people processes. These include areas such as recruitment, leadership programmes, and onboarding of new employees.

Modifications to Egmont's leadership programmes and new leadership courses will aim to ensure that leaders can support ongoing organisational changes, while maintaining high performance and psychological safety among employees.

Gender distribution

Egmont's total workforce consists of 49% women and 51% men across 95 companies. The total management pool across the companies also has a equal gender distribution with 42% women and 58% men. The table below shows the gender distribution in management and other employees in the four Egmont divisions and in corporate functions.

	Women	Men
Books	**64%**	**36%**
Management	45%	55%
Other employees	67%	33%
Nordisk Film	**45%**	**55%**
Management	35%	65%
Other employees	46%	54%
Story House Egmont	**57%**	**43%**
Management	46%	54%
Other employees	59%	41%
TV 2	**39%**	**61%**
Management	36%	64%
Other employees	39%	61%
Corporate functions	**46%**	**54%**
Management	50%	50%
Other employees	45%	55%
Total	**49%**	**51%**
Corporate management	36%	64%
Management	42%	58%
Other employees	51%	49%

Note: Based on HR data from 65 wholly owned and 30 majority-owned companies across Egmont. 'Management' includes all positions with employee responsibilities, except "corporate management" which includes the 14 members of Egmont Corporate Management.

The underrepresented gender

Egmont Fonden's board of directors

According to the charter of Egmont Fonden, appointment to the board of directors takes place when a member's appointment period expires, and board members are appointed for a period of four years. The board members are appointed for up to three ordinary periods of four years and may be appointed for up to two further periods of two years. The charter of Egmont Fonden sets out some requirements to the competences and experience of its board members. The board members are chosen for their overall competencies. It is also recognised that there are benefits of a diverse board in terms of experience, cultural and educational background, and gender, and the board has therefore in the past had targets for the underrepresented gender. From March 2023, the board has had equal gender representation according to Danish law, and it is not relevant to set a target.

Board of directors - other Egmont companies

Egmont's large Danish companies are also covered by the requirements to set targets for the under-represented gender on the board. The companies are set out in the below table and as they all have equal gender representation on the board, it is not relevant to set a target.

Management

In 2023, Egmont Fonden and Egmont International Holding A/S set the target that by 2028 no gender is underrepresented in the next management levels below the board. With the current composition of corporate management and a gender split of 9 men and 5 women, the target has been reached.

			Equal representation
Egmont Fonden	**4** (66.7)	**2** (33.3)	✓
Egmont International Holding A/S	**4** (66.7)	**2** (33.3)	✓
Story House Egmont A/S	**2** (66.7)	**1** (33.3)	✓
Egmont Printing Service A/S	**2** (66.7)	**1** (33.3)	✓
Lindhardt & Ringhof Forlag A/S	**2** (66.7)	**1** (33.3)	✓
Nordisk Film A/S	**2** (66.7)	**1** (33.3)	✓
Nordisk Film Distribution A/S	**2** (66.7)	**1** (33.3)	✓
Nordisk Film Biografer A/S	**2** (66.7)	**1** (33.3)	✓
Nordisk Games A/S	**2** (50)	**2** (50)	✓

The numbers include board members elected by the annual meeting and not employee representatives

Egmont's grants

In Scandinavia, there is equal access to education – but not equal opportunities to complete it. Children at risk have significantly lower chances of finishing primary school. The differences that exist between children early on in their lives form the basis for life-long inequity.

As a foundation, Egmont supports children and young people at risk. Those growing up in poverty or placed in foster care, those who find learning particularly difficult, those who live with illness or social challenges. We support children from birth until they are well underway with a youth education. We work for all children and young people to have a safe start in life, thrive, learn through school, and be part of their respective children's communities. Our aim is to ensure that everyone completes their youth education, which will prepare them well for creating a fulfilling life.

In 2023, Egmont granted a total of EUR 14.9 million via 28 grants. In sum, since 1920 approx. EUR 520 million (present value) has been donated.

New signature programme

In 2023, Egmont initiated a new signature project, SygtStærk (StayStrong), supporting seriously ill young people in completing a youth education. With a strong focus on involving the young people themselves, SygtStærk has launched a life skills program, a mentoring scheme, and a social community in 2023. The vision for SygtStærk is to expand nationwide.

Mathematics support

One of seven pupils in primary school struggle with mathematics. The 2023 Egmont Report documented that the difficulties have severe negative long-term consequences in terms of completing an education and finding a job. The Egmont Report received substantial media coverage and, together with children featured in the report, Egmont's Grants Administration met with the Danish Minister of Children and Education to advocate for more and better support for children with math difficulties.

Consequences of child poverty

Based on Egmont's legacy of combating child poverty, we focused on the negative consequences of growing up in poverty in 2023. Egmont launched a new report on the lack of positive activities for children in poverty during their summer vacation and debated the issue at the Danish Folkemødet (People's Meeting). Through the Helping Hand Programme Egmont provided direct support for children and young people at risk through partnership organisations in Denmark, Norway, and Sweden.

New grants for paternity leave

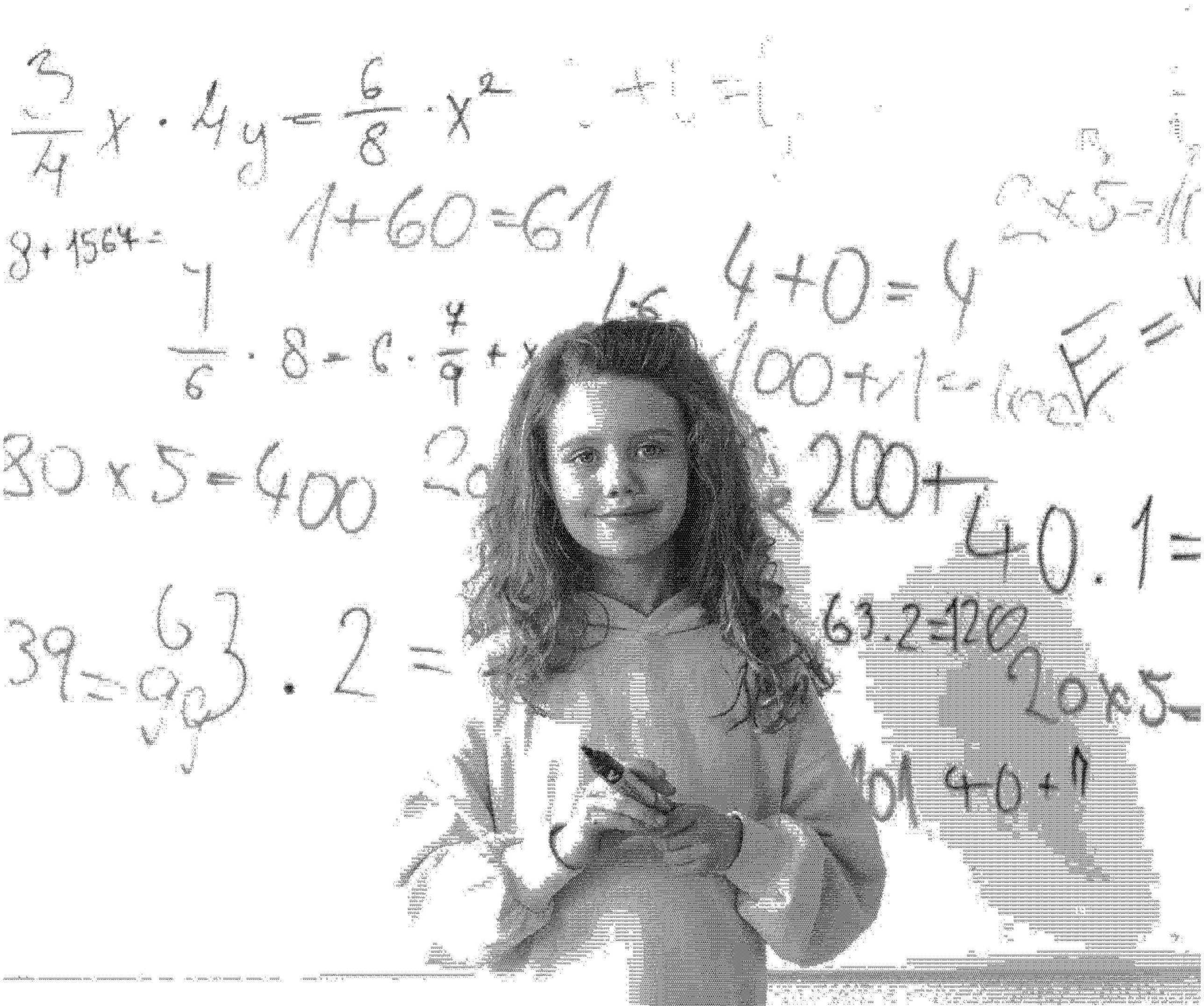
Based on knowledge from the Egmont Rapport 2022, Egmont donated four grants in 2023 supporting paternity leave. The aim of these grants is to strengthen the early attachment between the infant and the father to benefit the child's early development and well-being.

Activities in Sweden and Norway

Since 2009, Egmont has had charitable activities in Norway and from 2021 also in Sweden. In 2023, support was granted in Norway through the Helping Hand Programme and a partnership with Kronprinsparets Fond (The Crown Prince Couple's Foundation). In Sweden, Berätterministeriet, that aims to strengthen pupils at the most vulnerable schools in Malmö, was launched..

Nordisk Film Fonden

Nordisk Film Fonden is part of the Egmont foundation and contributes to the creation of world-class film talents. In 2023, Nordisk Film Fonden donated EUR 0.9 million. The scholarships Store Isbjørn and Lille Isbjørn were awarded to 67 film talents to study abroad; and for initiatives stimulating the cinematic narrative and use of virtual production tools donations included the film tech conference Picture This_23, the talent programme Super16, Vizarts AI & Filmmaking Labs, and a new initiative in Norway, the Polar Bear's Writing Camp. The Nordisk Film Award in Denmark went to documentary director Lea Glob and in Norway to scriptwriter/director Kristoffer Borgli. The Balling Award went to scriptwriter Mette Heeno and the Ove Sprogøe Award to actor Jacob Lohmann.



Egmont's carbon accounting policies

The aim for Egmont's carbon accounting is twofold. First, it provides an overview of GHG emissions generated by our activities and insight into our carbon hotspots. Second, it serves as a foundation for us to assess and monitor concrete measures to reduce the emissions generated by our activities.

Carbon accounting standard

Egmont's carbon account follows the international standard: A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG protocol), and connected guidelines.

Greenhouse gases

We report our emissions for all greenhouse gases covered by the Kyoto Protocol, and our emission numbers are expressed in CO_2-equivalent.

Organisational boundaries

We consolidate our carbon account using the operational control approach. This means that we include all the legal entities in the Egmont Group where Egmont has operational control in our carbon account. We determine operational control based on majority of voting rights on the board. In 2023, our organisational boundaries were updated in relation to acquisitions, divestments, and other changes in the group structure. 118 individual legal entities are included in our carbon account for 2023 (against 110 in 2022).

Division	Number of legal entities included
Corporate	5
Egmont Books	7
Nordisk Film	48
TV 2	13
Story House Egmont	45
Total	**118**

Operational boundaries

We currently account for and report emissions in Scope 1, Scope 2, and selected Scope 3 categories.

- **Scope 1** is the direct emissions stemming from owned or controlled sources.
- **Scope 2** consists of indirect emissions from the generation of purchased energy.
- **Scope 3** includes all other indirect emissions that occur in an organisation's value chain.

We lease most company cars, and we are tenants in many of the facilities we occupy. We perceive that we have operational control over these assets, and on that basis, we have decided to include these emissions in Scope 1 and Scope 2.

In 2019, based on a qualitative screening of our business areas, we decided to include the below emissions sources in our carbon account:

- Scope 3, category 1 (Purchased goods and services): printed products, covermounts & toys, packaging.
- Scope 3, category 4 (Upstream transportation and logistics): goods transportation.
- Scope 3, category 6 (Business travel): business flights.

The business flight category is relevant for all our business areas, whereas the other Scope 3 emission sources are not equally relevant for all our business areas. The below table displays what emission sources are relevant for each business area.

Business areas	Printed products	Covermounts & Toys	Packaging	Goods transportation
Books and education	X		X	X
Magazines	X	X	X	X
TV				
Film				
Cinemas			X	X
Games				
Interactive				X
Gift card solutions				X
E-commerce			X	X
Agencies				

Why do these Scope 3 emission sources matter to Egmont?

Printed products
The European pulp and paper industry is the 4th largest industrial energy user in the EU. Despite structural decline in printed products there is still a demand for printed products, and paper is still important to Egmont's publishing entities and a large emission contributor for the business areas Magazines and Books.

Goods transportation
Freight transportation and logistics activities contribute 8–10% of global carbon emissions. Without intervention, freight transport emissions will more than double by 2050. Many of our business areas rely on the transportation of goods: magazines, books, distribution, cinemas, and e-commerce.

Covermounts & toys
The majority of Egmont's covermounts and toys include plastic in their composition. Plastic pollution has emerged as a central sustainability issue in the past few years, and there is a call for action from consumers, customers, regulators, and scientists, to increase plastic circularity and reduce plastic pollution.

Packaging
The volume of generated packaging waste is on the rise. In the EU, it increased 20% between 2009 and 2020. This also means that more natural resources are being used in packaging. For instance, plastic packaging is a key driver of plastic demand globally - it represents approximately 40% of total demand for plastic manufacturing in Europe. In Egmont, we want to improve both the sustainability of our packaging and to rethink our packaging systems, especially within our e-commerce and magazine businesses.

Business flights
Business flights represent most of our emissions from our business travel, and it is an area which attracts public attention. While some travels are critical for our business activities, in some cases, they could be avoided or replaced by lower-carbon travel options while maintaining a healthy business.

Electricity consumption and green electricity

We report our emissions from electricity (scope 2) by using both the location-based and market-based approach. The market-based approach allows us to capture the effect of our efforts to match our electricity consumption with renewable electricity.

Our renewable electricity sourcing consists of a mix of renewable electricity sourced by our companies (often green tariffs) and green electricity certificates sourced centrally (PPA and other sources). Centrally, we purchase Guarantees of Origin to match our remaining electricity consumption in the European Union, Renewable Energy Certificates (RECs) in the USA and Canada, and Renewable Energy Guarantees Origin (REGOs) in the UK.

Base years and historical emission recalculation

We use two different base years in our carbon account, due to COVID-19 and significant methodological changes. The base year for emissions from scope 1 and 2 and business flights in scope 3 is 2019, because COVID-19 significantly affected our emission levels in 2020 and 2021 which means that they are not representative of Egmont's usual emission levels. Due to significant changes in accounting methods implemented in 2021, and the difficulty of applying these changes to historical emissions, we use 2021 as our base year for the remaining scope 3 emissions. We have established rules triggering the recalculation of our historical emissions when facing significant changes (e.g., acquisition and divestment), and we use 5% as a significance threshold. Additionally, we refine our carbon account on a continuous basis. If we find mistakes in historical emissions, we will include the most updated numbers in our sustainability report. In 2023, the emission calculation methods in most of our scope 3 categories have been updated with a significant impact on our emissions. We have recalculated our historical emissions in scope 3 which is why they differ from the figures reported in our Sustainability Report 2022.

Our renewable electricity share is not adjusted historically for changes triggering a recalculation of our historical electricity consumption and GHG emissions.

Brief insights into selected emission calculation methods

We use the external CEMAsys platform to compile our carbon account and convert activity data into GHG emissions. For Scope 1, Scope 2, "covermounts and toys" and "packaging", we calculate emissions using the CEMAsys database of emission factors. The CEMAsys database is a compilation of emission factors from IEA, AIB, DEFRA, and other independent studies. Activity data are typically expressed in kWh, liters, kilograms, or spending when no physical consumption data is available. For printed products, we collect data from our paper suppliers and printers (ClimateCalc, Paper Profile documentation, and other systems). For business flights, we calculate our emissions, using data provided by our travel agencies and spend data. For goods transportation, we collect emission data provided from our transport partners, and we use the transport work method or tailored upscaling approach when we cannot obtain data from our transport partners. Business flights and goods transportation emissions are by default calculated on a well-to-wheel basis. The methodology used for our carbon emission calculation is extensively documented in Egmont's internal accounting manual.

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Questions or comments related to this report, please contact
Egmont Corporate Sustainability & Legal Compliance at CSR@egmont.com

Photos: Klaus Rudbæk, Kasper Løftgaard, Mads Siggard, Getty Images

Revisionsberättelse

Till bolagsstämman i Bagaren & Kocken AB, org.nr 556747-4001

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Bagaren & Kocken AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Bagaren & Kocken ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen.
Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Bagaren & Kocken AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Bagaren & Kocken AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Övrig upplysning

Revisionen av årsredovisningen för räkenskapsåret 2022 har utförts av en annan revisor som lämnat en revisionsberättelse daterad 9 juni 2023 med omodifierade uttalanden i Rapport om årsredovisningen.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Bagaren & Kocken AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Bagaren & Kocken AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Borås den dag som framgår av vår elektroniska signatur

Öhrlings PricewaterhouseCoopers AB

Mattias Palmqvist
Auktoriserad revisor

Deltagare

ÖHRLINGS PRICEWATERHOUSECOOPERS AB 556029-6740 Sverige

Signerat med Svenskt BankID	*2024-05-31 11:29:12 UTC*
Namn returnerat från Svenskt BankID: Johan Henrik Mattias Palmqvist	Datum

Mattias Palmqvist

Auktoriserad revisor

Leveranskanal: E-post